









# HOME NEWS

## More university students come from professional homes and fewer have manual worker parents

A steady increase in the percentage of university students from professional backgrounds, coupled with a decline in the percentage from manual worker or working-class homes, has occurred in the past five years, according to a report published yesterday.

The report, the latest from the Universities Central Council on Admissions (UCCA), shows that between 1975 and 1979, students whose parents were mainly in professional and managerial jobs rose from 51 per cent of those accepted to 54 per cent.

At the same time students whose parents generally held manual jobs, such as textile workers, miners and fishermen, dropped from 25 per cent to 22 per cent.

Broken down strictly by social class, the same trend was evident, with nearly 22 per cent of students in 1979 from professional backgrounds (nearly 21 per cent in 1977), more than 42 per cent from semi-professional (41 per cent in 1977), and 6 per cent from manual and unskilled backgrounds (6.4 per cent).

This classification of university candidates on the basis of social class is the first the council has undertaken, and it says that the figures must be treated with caution.

The response of some candidates to questions about parental occupation was sometimes difficult to interpret, the report says. "Indeed, it is believed that some candidates resent the question and are deliberately obscure in their answers."

For that reason there was some opposition to publication. The figures, albeit uncertain, are likely to give more information than those simply for parents' jobs supplied in previous years.

The breakdown shows that the professional and managerial classes produce a larger share of students than their share of the adult population; and that the same candidates are more successful in their applications, the report says.

The 1979 population census of economically active men aged between 40 and 54 showed that 18 per cent were in professional and managerial occupations and 62 per cent in largely manual jobs.

The report confirms a trend highlighted two years ago by Mr Gordon Oakes, then Minister of State for Education and Science, when he said that the percentage of children from

manual backgrounds entering university had tended to decline in the past few years.

It also notes that universities accepted 7 per cent fewer overseas students last year than the year before, despite a rise in applications.

Acceptances by universities, in line with government policies to reduce the overseas student intake, fell from 6,191 in 1978 to 5,767 last year. At the same time applications rose from 22,918 to 24,134.

Competition for entry last year was stiffer generally than the year before, with some 3,000 extra "real" candidates (those minimally qualified) matched by only 2,000 extra places.

Among home students, women candidates suffered more than men. Of the "real" candidates, the proportion dropped by about 3 per cent and for men by about 1 per cent.

In total, of an estimated 86,000 to 99,000 "real" candidates, about 77,000 were taken, the report says. That compares with 74,000 the year before. That year acceptances were in line with the increase in applications.

UCCA Statistical Supplement to the 1979 Report (PO Box 28, Cheltenham, Gloucestershire, GL50 1BY, £2.)

## 657 houses go begging as a dream crumbles

From Christopher Thomas Lurgan

Craigavon can hardly be called a "place". It is a conglomeration of nearly 4,000 modern houses in several estates, occupying five miles of space between two pleasant Ulster towns, a mass of living units with no heart.

It is consequently difficult to pinpoint exactly where Craigavon is. The sign on the motorway out of Belfast says: "Craigavon next two exits".

Much of it is boring and hopeless, and the reaction of hundreds of families who have lived there is demonstrated by the countless rows of empty houses. If per cent of the total. Not one is more than 15 years old.

Strictly speaking, the two old boroughs of Portadown and Lurgan are embraced by the new Craigavon district council area, in which there are 11,000 houses; in reality both refuse to accept that their identity has been subsumed.

In the sixties Craigavon was a wonderful dream, a huge development of a costly public housing scheme on green fields about 20 miles from Belfast. It would do much to solve the housing crisis, tempt hosts of new firms and create a pleasant environment. That dream has long been abandoned.

Today, estates like Rathmore and Legabury ache with despair. They are so impersonal that even the streets have numbers instead of names. People who still live there say a community never grew. Many of those who left have returned to their old locations, where the housing may be poor but the community is rich.

Officials may point to the sports centre, shopping centre, fishing lakes, golf course and football pitches. None of it succeeds in making Craigavon anything but an impersonal jungle.

Mr Michael Phillips and his wife live in one of the numbered streets on the Rathmore estate, a street of dozens of boarded up houses looking quite smart, certainly better than anything in working-class areas of Belfast. They are one of the last couples in the road to find



Rathmore estate, Craigavon, where streets have numbers instead of names.

a way out of the estate, and they, too, are trying hard to leave.

They moved to the house four years ago when they were married. "We were asked on the form if we wanted to live with only Roman Catholics or only Protestants or in a mixed setting. We said mixed, but they were all Catholics in this street, like us."

There was never any kind of natural community.

The idea of Craigavon was born in the early 1960s. The aim was to halt the spread of Belfast and create a wholly new environment with a ready-made labour force, which with the help of government incentives would tempt in prospective employers.

When the housing executive, the public housing authority, in Northern Ireland, took possession of the first 2,100 houses in December, 1972, the province was already in sharp decline because of the troubles, and the projected population was not realized.

The firms did not come, and many Roman Catholics were uneasy about living in an area traditionally regarded as a Protestant stronghold. The dream was already crumbling.

There are now 657 empty houses that nobody wants, despite a chronic housing shortage in the province. Even the homeless in Lurgan and Portadown do not want them.

Craigavon was launched by

the O'Neill Government and had a projected population of 200,000 by 1981. Lurgan is split almost equally between Protestants and Roman Catholics; Portadown is solidly Protestant. The scheme brought cries of dissent from largely Roman Catholic areas in the west of the province such as Londonderry, which were and still are crying out for investment.

Such was the outcry that only last year Irish American groups forced the abandonment of a twinning scheme between Craigavon and Santa Rosa, California.

Perhaps, however, the people of Londonderry are no longer entirely disappointed that the monster of Craigavon is where it is.

## Housewife in Welsh TV protest is jailed

From Tim Jones Cardiff

Plaid Cymru yesterday accused the Government of "shameful hypocrisy" over the fourth television channel issue after a housewife in North Wales became the first woman to be imprisoned for refusing to pay her licence fee.

Mrs Helena Griffith, aged 36, of Plas Gwyn, Bownton, Gwynedd, was taken to the Risley remand centre for 14 days after refusing to pay a £50 fine imposed by Pwllheli magistrates.

After her arrest Mr Iwan Griffith, her husband, said: "She has no intention of paying this fine at any time and we support her fully. The Government has broken its pledge that a Welsh language channel would be established and caused the Queen to lie when she reiterated the promise in her speech to Parliament."

At Barry, South Glamorgan, demonstrators sang the Welsh national anthem as magistrates considered cases against two men who had refused to pay their licence fees.

A lecturer at the University College of Wales, Cardiff, and Carwyn Davies of Barons Road, Penarth, were fined £25. A similar case against Jane Jones, a community councillor, was adjourned after she said the relevant documents had not been served on her in Welsh.

Tomorrow in Cardiff Plaid Cymru holds the first of a series of rallies in an attempt to force the Government to honour its election promise. It will be addressed by Mr Gwynfor Evans, president of Plaid Cymru, who proposes to begin a fast to death unless the Government changes its plan to spread Welsh language broadcasting between two channels.

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## Three saved at sea

Three fishermen were rescued yesterday from a burning smack, the *Illannon*, of Gribb, 30 miles off Spurr Head. The vessel, still on fire, was towed into the Humber.

## Duke opposes ban on use of painkiller on horses

The Duke of Edinburgh yesterday criticised proposals to forbid the use of pain-killing drugs in equestrian events and defended the practice of reviving exhausted horses with stimulants during competition.

Speaking at the annual congress in London of the British Equine Veterinary Association (BEVA), he said he favoured a compromise allowing drugs to be used but under conditions preventing abuse.

The International Equestrian Federation plans to ban pain-killing drugs this year unless new evidence shows a ban is unnecessary.

The most commonly used preparation is phencyclidine, known as "Bute", and some claim that it, and smaller doses, influence a horse's performance and can be harmful. But the Duke, who is president of the federation, is firmly opposed to a ban.

"While there is quite a lot of evidence that the over-use of these drugs can produce consequently disadvantageous effects, there is little if any evidence to show that properly prescribed doses given at the appropriate time they have any significant effect on the normal performance of a horse," he said.

Those who argued against allowing a horse to compete in the last part of a three-day event after it had been treated for exhaustion on the previous day overlooked, an important point.

If the practice was outlawed, it might result in riders not treading tired horses at all for fear of disqualification.

Later Mr Colin Vogel, the association's information officer, said that more horses were being found suffering from exhaustion during three-day events, and it was debatable whether they should be allowed to compete on the third day after intensive drug treatment.

"We certainly those who administer 'Bute' just before an event to prevent horses feeling pain from a knock. But it is up to the administrators to decide whether it is right to pretend horses are better than they really are."

## Church leaders invited to euthanasia talks

From Our Correspondent Cambridge

Mr George Meir, the chairman of Scottish Exit, the organization which promotes euthanasia, yesterday invited leading clergymen to discuss his booklet, which outlines various methods of suicide.

The Moderator of the General Assembly of the Church of Scotland, the archbishops of Canterbury and York and the Dean of St Paul's have been asked to join in talks about the booklet, which is to be published soon. Mr Meir said he was irritated at uninformed criticism of the pamphlet.

"It should be remembered that the title of the book is *How to Die with Dignity*. The only way to die with dignity is to die naturally, fortified by a profound belief in God, in the soul, in the creative life on another plane after physical death, and supported by medical aid," Mr Meir, aged 66, a retired surgeon, said.

But for those agnostics, humanists or, alternatively, those whose faith is not sufficiently great, a second method is described in great detail.

## Parking meters make a profit

Motorists are feeding almost £10m a year into parking meters, according to a Royal Automobile Club survey.

Of 39 councils in England and Scotland 22 made a profit totalling £14.7m last year, indicating that there was no justification for further increases in parking fees.

## Heart transplants defended after another operation

By Annabel Ferriman Health Services Correspondent

Surgeons at Harefield Hospital, west London, carried out their tenth heart transplant operation yesterday despite the deaths in the past three weeks of three heart transplant patients at Harefield and at Papworth Hospital, near Cambridge.

Mr John Wade, aged 38, a former driving instructor, from Doncaster, became Britain's twenty-second heart transplant patient in the present series of operations. Mr Magdi Yacoub carried out the operation.

Mr Wade, who has a wife and two daughters, aged 15 and 12, was said to be in a satisfactory condition last night.

Mr James Burkhill, aged 49, from Mold, North Wales, died at Harefield last month and Mr David Williams, aged 52, from London and Mr Richard Brittain, aged 16, from Coventry, at Papworth last weekend.

Three of the heart transplant patients at Harefield have died over the past eight months, the longest surviving patient being Mr Derek Morris, aged 49, a dock foreman from Swansea, who received his new heart in March.

A spokesman yesterday defended the decision to continue with transplants. "There are risks involved, but it is a treatment of last resort and in the view of the teams involved it is worth going on."

Transplant programme defended, page 14

## Programmes for the Autumn from London Weekend Television

<p><b>PETER COOK &amp; CO.</b>, a comedy extravaganza starring Peter Cook, with Ronnie Barker, John Cleese and Barry Reid.</p>	<p><b>BLADE ON THE FEATHER</b>, one of three new plays by Dennis Potter, with Donald Pleasence, Jonathan Ellis, Ella Marchant and Tom Coad with Phoebe Nicholls, produced in association with PFF Ltd.</p>	<p><b>SEVEN AGES</b>, a new Adult Education series looking at how people change throughout their life span.</p>	<p><b>NBODY'S PERFECT</b>, a new comedy series about the ups and downs of an Anglo-American marriage, starring Elaine Strick and Richard Griffiths.</p>	<p><b>THE BIG MATCH</b>, with top soccer commentator Brian Moore moving to Saturday night to introduce highlights of the day's big games.</p>	<p><b>WEEKEND WORLD</b>, LWT's weekly current affairs programme, presented by Brian Walden on Sunday at noon.</p>
<p><b>CREDO</b>, LWT's current affairs programme on religious and moral issues.</p>	<p><b>PLAY YOUR CARDS RIGHT</b>, a quiz show hosted by Bruce Forsyth.</p>	<p><b>METAL MICKEY</b>, a new comedy series about a well-meaning robot who becomes part of a typical London family, featuring Irene Handl.</p>	<p><b>THE LONDON PROGRAMME</b>, the current affairs programme for the London area, introduced by Godfrey Hodgson.</p>	<p><b>SEARCH FOR A STAR</b>, a new series of the television talent show, searching for stars of the future, hosted by Steve Jones.</p>	<p><b>FANCY WONDERS</b>, a new comedy series starring Dave King and Joe Marcell.</p>
<p><b>THE GENTLE TOUCH</b>, the instant series starring Jill Gascoine as Police Inspector Maggie Forbes.</p>	<p><b>END OF PART ONE</b>, a new series of irreverent and original comedy.</p>	<p><b>LOOK HERE</b>, a monthly look at broadcasting itself in which London viewers can air their views, presented by John Purdie.</p>	<p><b>POLICE FIVE</b>, produced in association with New Scotland Yard and introduced by Shaw Taylor.</p>	<p><b>SKIN</b>, a series of programmes about immigrant communities in the London area.</p>	<p><b>THE WORLD OF TELEVISION</b>, Denis Norden takes a humorous look at television programmes around the world.</p>
<p><b>THE SOUTH BANK SHOW</b>, LWT's weekly programme about the arts, edited and presented by Melvyn Bragg, pictured with Claudio Abbado.</p>	<p><b>WORLD OF SPORT</b>, produced by LWT every Saturday for the ITV network and introduced by Dickie Davies.</p>	<p><b>HOLDING THE FORT</b>, a new comedy series starring Peter Davison and Patricia Hodge.</p>	<p><b>20th CENTURY BOX</b>, LWT's programme about and for teenagers, introduced by Donny Baker.</p>	<p><b>SAMMY AND BRUCE</b>, Sammy Davis Junior and Bruce Forsyth star in a one-hour show.</p>	<p><b>LWT</b> London Weekend Television</p>







## HOME NEWS

### Where the jobs are: Concluding the three-part series on how they are filled Funds help to match applicants to vacancies

By Nicholas Timmins

August's unemployment statistics showed 126,000 vacancies registered with the Government's employment service, a figure estimated from past studies to be about a third of the true total. These jobs lie mainly in the South-east.

With 410,000 out of work, the region had more than 20 per cent of the unemployment, but with 49,800 registered vacancies it had more than 41 per cent of the unfilled jobs. Even so, more than eight people were out of work in the region for each registered vacancy.

In the north of England there were only 5,500 registered vacancies, with 150,000 unemployed; 29 for each registered vacancy. In Northern Ireland the picture is even bleaker, with 35,000 unemployed and 1,000 vacancies.

Although the latest breakdown of jobs by occupation provides figures for March, only the statistics do indicate the pattern of jobs and jobs, and show that as always in recessions it is the unskilled and semi-skilled who suffer most.

Those registered as unemployed general labourers totalled 479,334, or 21 out of work for each of the 6,734 vacancies registered.

That figure needs to be qualified, since many registered as general labourers to indicate that they can do a variety of unskilled work, while the vacancies tend to be more precisely classified. But other manual occupations involving varying degrees of skill, accounted for another 326,530 of those without work, with vacancies totalling 65,258.

The two categories added together give close to 806,000 unemployed, or about 60 per cent of the total with 72,000 vacancies available, 40 per cent of the total.

There are 11 people out of work for each vacancy, a picture that by now will have worsened.

Vacancies for craft workers were far higher in the South-east than anywhere else, at more than 15,500, with about one vacancy for every two unemployed.

The ratio of unemployed craft workers to vacancies is far higher in other regions: more than ten to one in the North, seven to one in the North-west and five to one in the West Midlands.

To help to match the unemployed to vacancies, the employment service takes a number of steps. Jobs that can not be filled locally are notified to the 18 regional employment information centres, which allocate them to appropriate jobcentres elsewhere.

If they attract applicants the Manpower Services Commission has two schemes to help with the search. The first, search scheme, provides fares for the unemployed to attend interviews and take up jobs; 6,700 people last year took advantage of that scheme and a further 222 were given similar assistance to look for work in another area without uprooting themselves.

The more ambitious employ-

ment transfer scheme helps people to move to jobs. The job must not pay more than £6,264 a year and school-leavers are eligible, but former students are not. Fares to the new job are provided, with allowances such as removal expenses, a disturbance allowance and settling-in grant.

Last year 9,785 people took advantage of the scheme, and just over £7m was spent on it. Like so much else, the scheme has been the victim of the Government's spending cuts. Only £5.7m is budgeted for this year for both schemes, and for the next three years £4m.

The past year has seen the scheme used imaginatively, and it is claimed to be cost-effective to take coachloads of unemployed skilled workers from the black spots to the jobs.

King's Lynn, faced with 160 apparently unfilled skilled vacancies in the middle of last year, informed the South Shields employment services and brought down 32 unemployed men, 28 of them with their wives.

They were shown the area and interviewed by a number of companies. Twenty-five of them took jobs, including skilled engineering work and joinery. One went back within a few days. But Mr Neal McKechie, an employment adviser at King's Lynn, said the rest had settled well. The link with the North-east has been maintained.

What made the scheme possible was housing. The local council made 50 houses available over six months, Mr

## WEST EUROPE

### Euro-MP is dismissed from French university

From Ian Murray  
Paris, Sept 4

Mme Simone Veil, the President of the European Assembly, has written to M. Raymond Barre, the French Prime Minister, to ask him to investigate the background to the dismissal of an Italian woman professor from Paris VIII University.

Professor Maria Antonietta Macciocchi, was dismissed from the university because she had two seats in the European Parliament. She received a letter from M. Paulin Luc, head of the French university administration, saying that her job at Paris VIII was bound to be prejudiced by her membership of the European Parliament.

Signora Macciocchi, a political scientist, was given her professorship in France in October, 1972. A former Communist member of the Italian Parliament, she was excluded from the party in 1977 and has since joined the Italian Radical Party.

Last September she won her seat in the European Parliament because an elected member of the Radical Party resigned and made way for her.

The decision to dismiss her was taken without any reference to the university. The head of her department, M. Jean-Marie Vincent, has protested that on no occasion over the past year has her job in the Parliament interfered with her job in the university.

It is rare for a non-French national to obtain a job at a French university, but Signora Macciocchi has made her career in France.

The French law precludes any professor from holding an elected office in France, but this is not seen to cover election to the European Parliament. Among those holding both positions are M. Edgar Faure, the former Minister of Education and M. Gerard Schusterberg, a senior member of the Left Radical Movement in France.

Signora Macciocchi says she is convinced she has been dismissed for political reasons and claims the decision shows that xenophobia is rife in France.

The Paris VIII University, set up by M. Faure after the 1968 student riots in Paris, has come under increasing criticism in government circles for its radical teaching methods.

Mme Veil wrote to M. Barre that membership of the European Parliament would be an "inadmissible" excuse for dismissing a university professor.

Mme Veil has also assured Signora Macciocchi that she can rely on her full support if in fact membership of the European Parliament is being used as an excuse for the dismissal.

### M Barre to keep financial policy despite electoral pressures

From Charles Hargrove  
Paris, Sept 4

The French government will not succumb to electoral pressures and abandon its relatively stringent financial policy, M. Raymond Barre, the Prime Minister, made clear last night. He said on television that the French would continue to be defended and the budget deficit contained within its present limits.

M. Barre indicated that some encouragement will be given to industrial investment, and a few crumbs of comfort distributed to the underprivileged to take the sting out of the big autumn offensive being organised by the more militant trade unions. But there will be no opening of the electoral flood-gates.

The Prime Minister was announcing the set of economic and social measures decided by the cabinet yesterday afternoon.

The communist-dominated Confédération Générale du Travail (CGT) considers that the additional 150 francs (£15) to be given to each child returning to school this autumn, and the same amount for old people, which will cost a total of 1,000m francs are a breach in the Government's policy of austerity and an encouragement to stop up the labour struggles.

The national minimum wage is to be raised again at the end of the year.

These are in fact limited measures in favour of consumption. A stronger stimulus is given to investment: 1,000m francs in low interest loans for firms with a good export record: an additional 10,000 low interest building loans; and measures to be announced next week to ease taxes on company profits.

The employers had hoped for more, but the president of their federation admitted yesterday that "it would be irresponsible to think that the Government could change its strategy."

M. Barre has certainly no intention of doing so, even if he does allow for some tactical adjustments. He will hold the helm as firmly as he has in the past four years, elections or no elections.

"How can you imagine that the Government will allow itself to be tossed about by an agitation which will last a few months, and allow itself to be driven to concessions or compromises which would make it depart from the line it has set itself?" he asked.

The whole question is whether, with unemployment and inflation at present levels, the labour front will as *Le Quotidien* remarks, "be satisfied with a few little presents" such as exceptional bonuses, premiums and loans as a substitute for a moderation of wage stringency, on which M. Barre has no intention of yielding.

President Giscard d'Estaing has no interest, in his view, in facing the voters next spring after a spell of labour tension which the Communist Party and the CGT will do everything to foment in order to undermine the position of the Socialists.

M. Barre admitted that Frenchmen returning from their summer holidays had

### Aggressive riot equipment rejected by police chiefs

From Arthur Osman  
Preston

Mr Alan Goodson, Chief Constable of Leicestershire, said yesterday that the Association of Chief Police Officers of England, Wales and Northern Ireland, believed that the traditional image of the British police officer going about his business on the beat was one that had to be maintained.

"We believe that we should cling on to that role."

But speaking at the end of a three-day private conference of the association at Lancashire police headquarters, near Preston, Mr Goodson, retiring president of the association, said: "It may be that levels of violence go up; in order to protect officers we may have to respond in a more serious way."

Nevertheless, the basic principle to emerge from the conference, held in the aftermath of the Bristol riot and disorders at holiday resorts, was that the police would not depart from

### Business school training urged for council chiefs

By Christopher Warman  
Local Government Correspondent

Senior local government officers should be sent to business school to teach them to cope with the complexities of local authority finance and management, the Business Graduates Association urged yesterday.

"The recommendation comes after a survey that found that of 10,000 senior managers in local government 'barely a dozen' had been to business school."

She David Clotterbach, director of the association, said: "This report reveals an educational hiatus of alarming proportions."

"Local government employs over 2,500,000 people and about £10,000m is spent annually on the local wage bill out of a total annual expenditure of £17,000m."

The report was compiled by a

### Herr Genscher calls for continuation of détente

From Gretel Spitzer  
Berlin, Sept 4

The annual congress of Liberal International began this morning in the lobby of the Reichstag building located next to the Berlin wall. The congress was to have used the main assembly hall but rules governing the use of the hall prevent it from becoming the venue of one particular political party.

Observers consider it somewhat narrow minded to apply the rule to an international gathering even though West Germany is in the middle of an election campaign.

Mr Gaston Thorn, president of Liberal International, justified the decision to some extent, however, when he said in his welcoming speech that the congress was to show that the German liberals were not without true friends in the world: that October 5—the day of the West German national elections

### Menten case to go before Dutch Supreme Court

From Robert Schull  
Amsterdam, Sept 4

The Dutch Supreme Court will consider the case of Pieter Menten, the 81-year-old Dutch millionaire and art collector convicted of war crimes, for the fourth time on October 27, the Justice Minister announced today.

On July 9 Mr Menten was sentenced to 10 years in prison and fined 100,000 guilders (about £22,000) after being found guilty of having been involved in the mass execution in July, 1941, of between 20 and 30 Polish nationals, mainly Jews, in the village of Podgorny which at the time was in German-occupied Poland and is now part of the Ukraine.

Mr Menten was first sentenced to 15 years' imprisonment for his part in the Podgorny executions by an SS team by a court in Amsterdam in December 1977. This verdict was quashed.

—should not only lead to majorities but was to ensure the continuation of the three party system in West Germany.

Passages of his speech depicting the British two-party system in this context were withdrawn. An explanation is to be given at a press conference tomorrow.

Herr Hans-Dietrich Genscher, Foreign Minister and chairman of the Free Democratic Party (the West German liberal party) strongly urged the continuation of the détente policy.

He told the 400 participants of the congress that this policy also had to stand the test in connexion with events in Poland. It meant that West Germany and all others had to acknowledge that the Polish people and their leadership alone were responsible for the solution of the country's problems.

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## WEST EUROPE

## Dispute over Polish strikes livens up Bonn polls campaign

From Patricia Clough

A dispute about the Gdansk strikes and how to help Poland has struck a spark of life in West Germany's flagging election campaign.

For the second time this year, Herr Franz Josef Strauss, the Opposition candidate for Chancellor, and his supporters have asserted that the Government's policy of détente—its biggest election argument—has been a failure.

The first was after the Soviet invasion of Afghanistan. The second came after the cancellation of two events designed to crown, a few weeks before the elections, the intense efforts by Herr Helmut Schmidt, the Chancellor, to keep détente alive in Europe.

Mr Edward Gierk, the Polish Communist Party leader, had to cancel talks with Herr Schmidt in August because of the situation in Poland. And Herr Schmidt took a hint from the East Germans and postponed his two-day talks with Herr Gierk in October.

From election platforms all over the country Christian Democrats and Christian Social Union politicians are claiming that détente was conceived by the Government as an illusion and calling for a change of foreign policy.

Social Democratic campaigners are maintaining that neither the Polish strikes nor their peaceful settlement would have been possible without détente, the Helsinki conference and the party's Ostpolitik.

Although a violent end to the strikes could have been a setback to Herr Schmidt in the October 5 elections, poll experts believe that the Opposition criticisms have failed to shake the voters' support for the Chancellor's line. Little,

they say, can stop him winning now.

The dispute has shifted the issue of aid to Poland. The Government is racking its brains for ways to help but so far in vain.

Government sources said: "It is difficult to imagine help that would not be seen by the Soviet Union as Western interference. They would also not relish the implication that a communist regime cannot get by without capitalist help."

Herr Schmidt has welcomed President Carter's call for Western efforts to help Poland. West Germany, perhaps more than any other West European country, is anxious that the Polish achievements should not be drowned in economic disaster.

Government sources point out that the new free union leaders would probably have to shoulder the blame for economic ruin.

The Government will not on principle give credit for fear of setting a precedent, an Economics Ministry spokesman said. The possibilities of raising credit are exhausted after a loan raised by government persuasion among West German banks before Mr Gierk's planned visit reached DM1,200m (£300m), whereas the target was DM1,500m. One third of the sum is guaranteed by the Government.

Herr Strauss and the Opposition are demanding that this credit and any future aid should be made conditional upon the Polish regime keeping its promises to the workers. We are in favour of credits, trade, economic cooperation, but only if it really helps the Poles and does not simply prop up the regime," a Christian Social Union spokesman said.

The idea of putting strings on the credit is greeted in government circles with scorn.

## West Germany accused of seeking revenge on Poland

From Gretel Spitzer

Berlin, Sept 4

East Germany's first comments on developments in Poland were an all-out attack against West Germany for allegedly seeking revenge against Poland.

A full page "documentation" published by Neues Deutschland today was to prove this.

The "documentation" by the East German Institute for International Politics and Economy, consisted of quotes from the West German constitution and legislation of alleged anti-

Polish demands by the associations of West Germans who came from the former German territories and of excerpts from speeches by West German politicians.

It included charges against Herr Karl Carstens, the West German President, that he supported peace-endangering machinations by revenge seekers. Proof of it, according to the "documentation", was provided by articles he sent to a meeting of former residents of Silesia in 1977.

Both the "documentation" and the commentary revealed East Germany's uneasiness over the arrangements between workers and government in Poland.

## MINISTRY OF RECONSTRUCTION AND STATE FOR HOUSING AND LAND RECLAMATION IN EGYPT

In the Ministry of Development five year plan 1980-1984, about 823,000 feddans earmarked for Reclamation while in the projected plan up till year 2000 another 2.8 millions are designated for Reclamation.

This huge acreage will be irrigated by the sprinkler or drip methods of irrigation. Since the manufacture of sprinkler and drip irrigation equipment in Egypt at present cannot supply the required amounts, it was decided to construct a special factory to manufacture sprinkler and drip irrigation equipment. For this reason the Ministry of Development announces its desire to initiate a joint venture private sector company registered under law 43 of 1974 and its amendment law 32 of 1977 concerning investment of Arab and Foreign capital in Egypt. The objective of the company is to establish a factory in the 10th of Ramadan City about 50 kilometres to the East of Cairo to manufacture sprinkler and drip irrigation equipments from plastic and other materials.

Companies and Organizations whether private or public and whether local or foreign are kindly requested to submit their pre-qualifications to the Ministry with background information and their previous experiences in the field of reclamation and industrialization of irrigation equipment, kind and type of irrigation equipments they produce, size of annual production and any other pertaining information about their activities.

Since a joint venture company will be established companies are also requested to include their willingness to participate in this factory and their equity participation together with the facilities for the procurement of local and foreign loans to cover the total investments of the joint venture. They are requested to state their ability and desire to manage the factory during the first stage of operation and training programme advocated for the Egyptian employees so that they could take over management as soon as possible.

Application should be submitted to the Ministry building in Kasr El Einy Street, Cairo, Egypt, not later than the first of October 1980. Telex 92571 MOHR UN

## OVERSEAS

Republicans' problem is their candidate's habit of telling audiences what they want to hear

## Mr Reagan picks out a guardian angel among the press

From Patrick Brogan

Washington, Sept 4

Mr Lyn Nofziger is one of those old-fashioned American reporters with a bear belly, a much chewed cigar butt and rumpled clothing. He could walk on to a stage in any performance of *The Front Page* and be instantly recognized as the City Hall reporter, or perhaps the home news editor.

Nowadays, however, he is Mr Ronald Reagan's press secretary and therefore one of the two or three most important people in the Reagan campaign.

He makes a pleasant change from Mr Jody Powell or Mr Ron Ziegler (President Carter's press secretaries) who know and knew nothing about newspapers and reporters. He is also, for that reason, rather dangerous.

Poachers turned gamekeepers, like Mr Nofziger, catch their former courtesans with disconcerting ease.

So when he tells us that Mr Reagan will give very few press conferences, because "this is a new ball game", will make no more than one speech a day because it confuses the media, and will stick to his prepared text while making that speech, every nuance of what he is saying is instantly understood.

He is saying that Mr Reagan must not be allowed to campaign too frenetically because if he does, he will get tired and make mistakes. He must stick to the texts provided for him by his speech writers, because the slogans and applause lines that went down so well in the primaries sound quite different now.

He will not make too many speeches, because television news will only carry a snippet from one speech a day and the newspapers are not going to give much space to a series of speeches, either.

So the first of the official campaign for the presidency, Mr Reagan delivered one speech in New Jersey on Monday, another in Washington yesterday and a third in Florida today.

He is giving no press conferences or interviews and is appearing at a number of picturesque events, some of them genuine, most of them got up by Mr Reagan's staff, some excellent television line-ups made. For the rest, he will stay quietly at home in Virginia.



Mr Reagan holds a strategy meeting with members of his economic policy coordinating committee.

In fact of course, he made a number of public appearances in the six weeks after the Republican convention, and Mr Nofziger and his colleagues set out on Monday with cheerful confidence that the mistakes he made in those early days would not be repeated. They even thought that he might have learnt from the experience.

It was not to be. On Monday evening, in an impromptu comment in Detroit, Mr Reagan said that President Carter was "opening his campaign down in the city that gave birth to the Ku-Klux-Klan". He had to apologize the next day, having offended Alabama (where the President had made his speech) and given Mr Carter another splendid opportunity to accuse him of irresponsibility.

Mr Reagan's main fault is his habit of telling audiences what they want to hear. It is a difficult habit to break: Mr Reagan made a career in the fifties and sixties out of

travelling the country and addressing conservative audiences.

He found out quickly what lines drew cheers and in the primaries, because he was appealing to the same sort of people, he continued to say exactly the same thing to them.

## US Elections

It is an odd phenomenon of American electoral politics that candidates in primaries are not subjected to the same intense scrutiny that the winner encounters immediately he is nominated.

They get away with the most extraordinary things in the primaries, but when they win the nomination they are expected to sound like a presi-

dent of the United States. Presidential elections are won by candidates who successfully make the transition.

To begin with, Mr Reagan did not even try. To a gathering of ex-servicemen, he said that the Vietnam war was a "public cause". To a convention of fundamentalist Protestants, he said that Darwin's theory of evolution was no more than a theory, and Creation, as described in the Book of Genesis, was perhaps equally valid.

Asked about America's relations with China, he automatically replied with the line that has been cheered so often in the past, that Taiwan had been betrayed. "Taiwan must be given more Taiwan", he said, and government to government relations must be reestablished with the Republic of China.

On each occasion he was loudly applauded. Mr Reagan is to be remembered that in 1976 Mr Jimmy Carter wrote to an Atlanta newspaper to affirm that he believed in

the literal truth of the Old Testament. He made no effort to raise the doctrine during the campaign, however, and it is the despair of Mr Reagan's staff that, seeking to conserve the votes of those who believe that the universe was created in six days, Mr Reagan should have caused all the rest of the country to doubt his judgment.

They despair that he deliberately revived the Vietnam issue. They wonder why he brought up the two-China policy, giving a scathing denunciation of his inactivity to foreign affairs, when he needs to persuade the doubtful not to preach to the converted.

Mr Nofziger says that none of this matters, because Mr Reagan has thus reassured his committee supporters that he is keeping the faith. If it made Mr George Bush look foolish, that is of little concern to Mr Nofziger. But perhaps his anguish, and Mr Reagan must now give up his own faith and stick to the texts.

## Carter line on Israel denounced

From Our Own Correspondent

Washington, Sept 4

Mr Ronald Reagan, the Republican candidate, attacked President Carter's policies towards Israel and the Middle East in a speech to a Jewish group here last night.

"Because of the weak and confused leadership of Jimmy Carter," he said, "we are approaching a flashpoint in the Middle East with Soviet power now deployed in a manner which directly threatens the Persian Gulf and Arabian Sea."

He said that the United States had a covenant with Israel, and that President Carter could not be trusted to abide by it. Mr Reagan mentioned various aspects of the President's policies towards the Middle East which he believed had endangered Israel.

He listed Mr Carter's decision to sell F-15s to Saudi Arabia, promising that they would not be equipped with long-range devices, adding "now the Secretary of Defence tells us he cannot say whether this commitment to Congress will be honoured."

Mr Reagan mentioned the decision to sell modern tanks to Jordan, and to permit the sale of turbine engines made under American licences to Iran.

He denounced Mr Carter for instructing the American representative to the United Nations Security Council to abstain on the latest vote condemning Israel, and reminded his audience of his confusion last spring when America voted to condemn Israel and then announced that the vote had been a mistake.

The speech was delivered to the annual convention of Bnei B'rith, a Jewish philanthropic institution. Mr Carter will address the convention this evening, and will doubtless remind his audience of the Camp David agreements, which he considers the greatest achievement of his presidency.

## Russians indicate that they want to keep Mr Gierk in power

From Dossa Trevisan

Warsaw, Sept 4

Poland is to get substantial aid from the Soviet Union, made by Mr Mieczyslaw Jagielski, a Deputy Prime Minister, in an interview yesterday, was intended to emphasize the vital importance Poland attaches to its economic relations with Russia and the Soviet bloc.

The idea was to impress on the nation that Poland's appeal to the East European allies for food and raw material supplies at a difficult time was met positively.

Although the Soviet Union has identified the strikes in Poland with Western attempts to undermine socialism, it is making available a credit in hard currency as well as increasing supplies of food and raw materials, including oil, to see Poland over the emergency caused by the strikes.

The gesture illustrates the Soviet Union's interest in propelling Poland's economic development, especially in showing its interest in finding a political settlement. At this juncture this appears to mean Soviet support for Mr Edward Gierk, the Polish Communist Party leader, personally.

This emergency aid from the Soviet Union was followed by concrete proof of Western anxiety and interest in helping overcome the country's enormous economic problems when President Carter asked his West European allies to be so generous as possible in providing aid to Poland. Polish indebtedness to the West has already exceeded £10,000m and its economy has to allow this year almost £4,000m for the servicing of the debt.

Both East and West are economically in helping Poland enormously, in the hope that this will restore stability.

The Soviet gesture is also a sign that Moscow would be dis-

inclined to see immediate results at the end of the Polish Communist Party, fearful perhaps that Mr Gierk's departure might precipitate pressures inside the party.

Mr Gierk's personal authority may have been sold further by news today that the politician has accepted a commission to investigate charges of corruption against Mr Mieczyslaw Jagielski, former head of Poland's radio and television, who was dismissed in a recent party and government reshuffle.

Poland in recent weeks has become politicized. Labour unrest has caused a chain reaction. The intellectuals are restive, debating about the wrongs of the past and ways of correcting them. The country is becoming more animated and the universal year is due to begin shortly. All this indicates that time is running short and new policies have to be marked out.

## UN conference formulates urban population plan

From Peter Nichols

Rome, Sept 4

The international conference here on population and the urban future ended tonight with an appeal from Mr Ralf Dahlgren, Secretary-General of the United Nations, for the intensive application of the final document drafted by the delegates.

Mr Salas is director-general of the United Nations Fund for Population Activities which has brought together the mayors of 60 cities estimated to have a population over five million each by the end of the century.

The final declaration was, he pointed out, the product of collaboration among three types of delegate: mayors and other municipal officials, government planners and scholars specializing in urban development.

The declaration contained three main recommendations. The first was that all countries which do not yet have comprehensive population policies and programmes should formulate them.

The second recommendation concerned policies for balanced development. Plans for the redistribution of population as part of a comprehensive national population policy would only succeed, it was said, if they formed part of a strategy for balanced development. This strategy should be aimed at encouraging a balanced pattern of urban settlements and at the economic development of rural areas.

It added that every threat to true freedom is also a threat to peace. The violation of the freedom of individuals or the freedom of peoples creates intolerable situations, structural oppression, or visible and hidden domination.

This statement came after the Pope's affirmation of Poland's "moral right to independence and sovereignty", made yesterday.

"I hold to this," he said, "independently of the fact that I am Polish; in the framework of my ministry I have the right and the duty to talk about it."

## Vatican sets freedom theme for Peace Day

From Our Own Correspondent

Rome, Sept 4

The Vatican announced today that freedom would be the theme of the next World Day of Peace of the Roman Catholic Church on January 1.

It added that every threat to true freedom is also a threat to peace. The violation of the freedom of individuals or the freedom of peoples creates intolerable situations, structural oppression, or visible and hidden domination.

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## Washington talks offer to Mr Begin

From Rome Bulletin

Tel Aviv, Sept 4

President Carter today invited Mr Menachem Begin, the Israeli Prime Minister, to meet him in Washington during his private visit to the United States in November after the President's departure.

Mr Begin's visit to the United States will mark the centenary of the Balfour Declaration, his Zionist manifesto to meet America's Jewish leaders.

The White House meeting will be private and separate from the trip to the summit with President Sadat which is also scheduled after the elections.

President Carter extended the invitation today when Mr Begin telephoned him to congratulate him on the success of Mr Sol Linowitz, the President's envoy, in persuading President Sadat to reopen the autonomy talks.

Mr Begin also telephoned President Sadat in Cairo and expressed the hope the negotiations would be instructed without delay.

The statement on the resumption of the autonomy talks yesterday gave no date. Israeli officials dismissed reports from Egypt that it accordingly did not commit Egypt to an early resumption of the talks.

Officials attributed the notes to Mr Butros Ghali, Egypt's Minister of State for Foreign Affairs, a participant in the peace negotiations.

Mr Butros, always put sticks in the wheels, said: "He said it was difficult for Mr Ghali to readjust after having said for a fortnight there would be no talks, no contacts and no resumption until November."

The Israelis expect Mr James Leonard, Mr Linowitz's deputy, to arrive in the area in a day or two to discuss how, when and where to resume the talks.

Mr Sadat and Mr Begin were reported friendly in their telephone talks today, calling each other "Menachem" and "Anwar".

Mr Begin complimented Mr Sadat on his address to Egyptian professors in Alexandria, in which he rejected the war option against Israel and said that young Egyptians would no longer die every decade in a hopeless war.

Earlier, today Israel officially declared a 24-hour truce, saying that it had offered concessions to Egypt. However, officials later said privately that Mr Linowitz may have conveyed to the Egyptians his impression that the Israelis were considering releasing Palestinian Arab prisoners, and that the planned transfer of the Prime Minister's office to the former Jordanian sector of the city had been put off.

"Substantive" talks: A State Department spokesman said today that the Palestinian autonomy talks will be "substantive" and not merely technical. They will focus on substantive issues of the autonomy negotiations, and arrangements for the proposed summit meeting of Mr Carter, Mr Sadat and Mr Begin.

## Simonstown poll victory endorses Botha policy

From Eric Marsden

Johannesburg, Sept 4

Mr Pieter Botha's policy of limited racial reforms in South Africa was given a strong endorsement last night when the National Party, surprisingly won the parliamentary constituency of the Simonstown Peninsula.

Mr John Wiley, aged 53, candidate who previously lost the seat for the South African Party and before that for the United Party, polled 6,000 votes against the 5,068 cast Mr Eddie Barlow of the Progressive Federal Party, giving him a majority of 1,182 in 82 per cent poll.

Mr Wiley, a former South African test cricketer, who captained Derbyshire, had a narrow favourite to Simonstown, which is a port stronghold of the United Party of Ian Smith. More than half of its voters are English speaking and most of them considered hostile to the Government party.

It is now clear that Botha's latest reforms, and his "local man" creation—has lived all his life in the same house near Mulburg—helped him to retain the seat. Mr Wiley said he could score of the United Party voters to add to the 35 per cent African speaking voters.

The Prime Minister, elected by the new Simonstown. He told the voters that the Orange Free State National Party in Bloemfontein that was an indication that English and Afrikaans-speaking South Africans were coming together in their common love for country.

The result is likely to be a general election. He faces a mini-election because the large number of seats in the House of Assembly are up for election. The President's Council will replace the Senate.

Mr Botha has so far lost at the polls of a general election. He has been elected as a member of the House of Assembly, but the odds are unlikely to be so favourable for a time as they are now. With gold prices continuing high, the economy booming, and the pension increase a critical to the left and right disarray.

The Progressive Federal Party (PFP), which will be to fight to survive if there is a general election, said it was a surprise to see a National Party among English speakers was clearly shocked by its defeat in Simonstown. Mr Barlow left the hall soon as the returning official announced the result, and said to comment: The PFP's act leader, Mr Colin Eglin, said voters' verdict was "rough but the party would fight on."

Mr Wiley claimed that Prime Minister's leadership had been clearly endorsed by the voters. He said the PFP could win Simonstown, what hope they have of winning any of seats?

The durable Mr Wiley, somewhat reminiscent of Victor Bragg, who has shown political courage in resigning his seat earlier this year, his small South African Party was disbanded and its members went over to the National Party.

He was first elected Union Party MP for Simonstown 1966, and about 10 years he pressed the emphatic vote that the National Party "finished". But in 1977, when the United Party disintegrated, he joined the South African Party, a conservative opposition group, which backed the Government on legal issues.

Open university will help unity of Palestinians

Hilary Wille of The Times Educational Supplement said: "A Palestinian open university is to be set up in the West Bank. Plans are due to be approved at an Arab summit meeting in November."

The Palestinian Liberation Organization wants the university, as an urgently needed means of promoting national identity and unity among the widespread four million Palestinians.

Many Palestinian second-generation residents in countries such as Kuwait, Syria, and Jordan, have been absorbed into these countries' cultures.

Arab countries also see the university as a useful project for distance teaching the Arab world.

Plans for the university were advanced. Designed to begin work in 1982, it will have a five-year, and £10m has been earmarked for the first phase of the project by the PLO and the Arab League.

The final bill drafted by the PLO and the Arab League will be signed by Mr Arafat, the PLO's leader, and the Arab League Secretary-General, Mr Amr Moussa.

Mr Arafat said the university would be a "substantive" project for distance teaching the Arab world.

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## OVERSEAS

# South Korea's new leader inherits ruined political institutions and an alarming economic decline

From Peter Hasehurst, Seoul, Sept 4

President Chun Doo Hwan is expected to inherit a firm grip on South Korea for the time being, but many Western diplomats believe the new regime will soon run into some dangerous pitfalls.

Although President Park Chung Hee provided the country with an industrial base before he was assassinated in October last year, his successor assumed office this week with most of South Korea's other institutions in ruins.

President Park's much vaunted Yushin constitution, which all but died with him, has been replaced by a new constitution which will be put to a referendum next month.

Declaring recently that he has decided to evolve a viable political system as his first

objective, President Chun told the nation: "We must learn from our experience since the death of President Park Chung Hee. This incident created a power vacuum and the country began to drift aimlessly, like a kite cut off from its string."

He promised to relax restrictions on political activity in the coming months. It is still too early to predict whether he will let some steam blow off before the country is confronted with another round of political violence, but all the evidence indicates that the regime will continue to repress most of the legitimate opposition leaders with genuine political support.

South Korea's armed forces, which face hostile North Korean troops across the demilitarized zone only 25 miles north of the capital, are becoming entangled in internal politics. This raises doubts whether factional struggles in defence headquarters could undermine the South's fighting ability.

The divisions within the Army were demonstrated last December when General Chun moved strategic troops southwards to Seoul to oust General Chung Sang-hwi, who was then the commander-in-chief of the Army, without informing the allied commander of all forces in South Korea, General John Wickham, of the American Eighth Army.

Angered by this breakdown in the order of command, General Wickham was later to

call South Korea's new head of state "ruthless, vain and dictatorial."

President Chun, who has assumed power over the heads of many of his senior army officers, will also have to live with the constant threat of a coup. Not only has he edged senior officers out of strategic posts, but he has alienated a large section of the bureaucracy, purging thousands of "corrupt and incompetent" officials from the administration in recent weeks.

South Korea's relations with its two main allies, the United States and Japan, have some what soured since the regime placed Mr. Kim Dae Jung, the dissident leader and a strong champion of Western democracy, on trial last month on obviously trumped up charges of supporting North Korea.

A new mood of nationalism within the regime indicates that the country is prepared to allow its relations with the United States to deteriorate if Washington attempts to interfere in the verdict of the trial.

A Foreign Ministry spokesman told *The Times*: "We feel that we take the risk of ignoring the United States. There is a new mood of nationalism. We just do not want to be told what we should do. We are convinced that ultimately the United States will not desert the security of the region."

Mr. American leaders believe that the security of the region is more important than human rights.

## Aboriginal ban may halt mining projects

From Douglas Aiton, Melbourne, Sept 4

There now seems little chance of avoiding a conflict between the Federal Government and Australia's Aboriginal community over land rights.

Mr. Malcolm Fraser, the Prime Minister, who is in India for the Commonwealth Heads of Government meeting, will return to face one of the biggest upsets in Australia's recent history of race relations, with an organized black community threatening to disrupt most mining projects in the country.

This follows this week's meeting of six Aboriginal land councils on the banks of the Fitzroy River, which runs through the heart of Nookanbah drilling site in north-western Australia. The meeting was called after the Western Australia Government's decision to go ahead with drilling while the Nookanbah site, which the Aborigines say is sacred land.

At the meeting, it was decided to stop all negotiations between Aborigines and mining companies across northern Australia. This decision could stop mining projects worth thousands of dollars which are now in the negotiating stage and involve uranium, diamonds, minerals and gas.

Aboriginal leaders said the ban would stay in force until "meaningful negotiations" were begun by the Western Australia Government and the consortium involved. Nookanbah to end the drilling for oil and move off the sacred site.

About 100 Aborigines surprised drillers at Nookanbah last week when they gathered outside the locked gates to read the council's resolution.

Among other decisions, the meeting condemned the Western Australia Government for its actions at Nookanbah and condemned the Federal Government for failing to use its powers to stop the desecration of sacred land. It determined that meaningful negotiations could not take place until the mining company, the Aborigines, agreed seriously.

The council's move will have serious consequences in Queensland, the Northern Territory, South Australia and the Kimberley region of Western Australia. Negotiations are in progress at all these areas, and the government has been urged to stop treating Aborigines as criminals and using the police to terrorize and intimidate them.

## FOREIGN REPORT

# The steady Islamization of Pakistan



General Zia: a certain austerity is the order of the day.

Pakistan newspapers, which report in detail on General Zia-ul-Haq's public words and actions, noted on their front pages recently that the President attended eight functions at which he sat on ordinary chairs on bare plank platforms. There were no sofas for guests. Certain austerity is the order of the day and the President sets an example. It is a thread in the steady Islamization of Pakistan, one of the remarkable spectacles of Asia.

We have strayed from the Islamic path - the President said to the people 30 months ago. Now he strives to ensure that Pakistan walks that path unwaveringly, and seeks to recast its social, political, legal and economic systems in an Islamic mould.

In this he strikes into the unknown and takes risks: Islamization could become the largest of his problems.

There are a number of aspects to his Islamic push. He is a devout Muslim and believes an Islamic state can be a panacea. He also wants to enlarge Pakistan's stature in the Islamic world, and he knows that the Islamizing process helps. Perhaps he also hopes that it will fill some of the political vacuum.

So Pakistan is again grappling with the question of what sort of society it is, and what it should be. Hard chairs and exhortations have their part in the seeking of identity.

Meanwhile, school ties and blazers, relics of British rule, are vanishing as boys are encouraged to wear *kurtas* and baggy *shalwar* trousers. General Zia has let it be known that he is setting an example by wearing national dress. It is not in his immaculate uniform that he is Uru being given greater emphasis in the schools and textbooks are being rewritten with a stronger Islamic tone. References to Western figures are being reduced and pupils are being urged to study the life of the Prophet Muhammad, the great man of Islam. The use of English as an education medium is being cut, a move that is not popular with some middle class parents.

Alongside the existing courts system, a parallel system of *shariat*, or Islamic courts, is being established, including a magistracy. This is proclaimed as a way of quickening the workings of justice. It will also lead to a legal system strongly Islamic in character. But it will take time because the Western system is entrenched and there are not enough Islamic-lawyers.

The President also wants interest-free banking. Interest falls within the definition of usury forbidden by Islam. Instead of having a guaranteed fixed return, savings account money in banks will be put to capital invested in industrial development. In return for lending money to businesses banks will take an equity holding.

Details of the system are still being discussed and some bankers are worried about it. "There are enough problems in a developing country like ours," a banker said. "A new system is a luxury we cannot afford."

Housing finance has already been changed. The state bank financing agency takes a share of a house's rental value over a number of years instead of interest repayments. It is cheaper than a mortgage.

General Zia has launched the first serious crisis of Islamization with some skill—although it was a crisis of his own making.

It erupted over the introduction of zakat, a 2½ per cent annual tax, one of the five pillars of Islam. It had fallen into disuse and the President ordered its revival. It was levied on bank accounts without warning one day in June. About five million people paid and \$22m was sent to local zakat committees for distribution to the poor.

But zakat was levied according to the teachings of the Sunni sect, the majority Muslim group of Pakistan. It included interest on bank deposits, which are not on the *zakat* list of the Shia minority. Furious Shias demonstrated in force in Islamabad and one person was killed when police opened fire.

Differences between Sunnis and Shias are a potential source of difficulty for General Zia. Shias make up between one-tenth and a quarter of the population, and they include many of the better-off and better-educated. General Zia has to be careful in his dealings with them not only because of the risk of internal dissension, but also because the majority in neighbouring Iran, and the Iranian leadership has been expressing its displeasure with Pakistan.

So General Zia gave ground, conceding that Shia beliefs should be respected in the enactment of *zakat*, and other measures. He also called a convention of a hundred ulama, or scholars. Although not priests, these men hold positions of authority in their communities by virtue of their learning. Some Shias who were going to Iran at Ayatollah Khomeini's invitation called off their trip to attend the convention.

The reason for the convention was to seek accord between the Sunnis and Shias and a common basis for the promotion of Islamic order. After two days the ulama agreed a 15-point charter, which, among other things, called for an Islamic education system to replace a system "impregnated with Western thought and responsible for the present difficulties and irregularities of the country."

It also called for a separate university for women, austerity for all, compulsory national dress in public offices, the promotion of ethical and religious values in newspapers and television, and a review of the characters of Government employees and their affiliations with Islam.

The ulama also said that their own status should be enhanced to "establish the honour and dignity ulama deserve."

By giving ulama an apparently larger role on the stage, as a kind of unelected national advisory body, General Zia has provided himself with a welcome buffer. The ulama will have to bear some of the burden of Islamization, and the criticism, too.

But the convention charter may only be able to paper over the rift between Sunnis and Shias, and the debate on Islamization—what sort of Islam—could grow bitter. In any case, there are those in Pakistan who desire a much more flexible and moderate political instrument than a flock of scholars.

At the same time there are those who are impatient at the slow progress of Islamization. One of the scholars said to me: there was a deeply held belief, for example, that a few cut-throat bands would eradicate crime, but in the 20 months since the extreme Islamic penalties for certain crimes were introduced not a single thiefing hand has been amputated. It seems that some people will not be satisfied that Pakistan is truly Islamic until it adopts this singularly cruel form of punishment.

General Zia, deflected from the Islamic path by the Bhutto affair and the Afghanistan invasion, is now embarking on the second phase of his Islamic programme. It is another ball for him to juggle, but there are some things in his favour.

He has headed an unpopular regime for three years, and although his outlook is not broad, he is growing in the job. He has adeptly defused trouble by making switches in the military and legal hierarchies. Food production is good and home remittances from Pakistanis overseas, a vital part of the economy, are up to a record \$260m this year. Elections, as always, will be at some time in the future, the press remains fettered and his opponents are not strong enough to challenge him on a broad front.

"The ills of society will vanish if Islam is implemented," I was assured. But the Islamic question cuts very deeply in Pakistan and it also remains to be seen whether the sore General Zia is building will work. Hard chairs are one thing but fundamentalism is another.

Trevor Fishlock

## Iran warns Britain on students

Tehran, Sept 4. — Mr. Mohammad Ali Rajai, the Iranian Prime Minister, warned Britain today to stop what he called the cruelty towards Iranian students arrested in London, the Iranian state radio said.

Iran would make "an appropriate reaction" if the cruelty was not stopped, he said, but did not say what this would be.

The warning came in a reply addressed to the British Embassy here, to a message of congratulations from the British Government to Mr. Rajai's appointment last month as Prime Minister. A British Embassy spokesman said the reply had not yet been received.

Forty-five Iranian students arrested during a demonstration outside the United States Embassy in London on August 4, are still detained, awaiting a decision by the Home Secretary on recommendations by courts that they be deported.

In his message Mr. Rajai said: "The Iranian people want a review of the attitude of the British Government towards the Islamic revolution of Iran, as well as an urgent end to biased propaganda against the Islamic Republic."

The result of this review will be a change in the attitude of the British Government towards the Islamic Republic, and the time for the manifestation of this change is when "cruelty against the students are ended," he said.

It is clear that if the British Government continues its hostile procedure without taking note of the realities of the revolution, the Iranian Parliament and its government will immediately show an appropriate reaction."

Several deputies in the Majlis (Parliament) have recently implied that relations with Britain should be cut.

The Speaker of the Majlis today accused Britain of being a



The already well-adorned walls of Britain's Embassy in Tehran receive a fresh legend: "Death to England".

pawn of the United States and said Iran would not remain indifferent to what he described as British Government injustices towards the Iranian students.

Last April the British Embassy here advised British subjects who did not have a strong reason for being in Iran to leave the country.

More executions: Six men convicted of arson were executed in Abadan early today. They had been accused of involvement in a chemical fire on August 19, 1978, which killed 377 people in Abadan.

The violence throughout Iran provoked by the disaster has been considered as a turning point in the revolution which brought down the Shah. — Reuters.

## 25 more sites on 'world heritage' list

Paris, Sept 4. — A United Nations agency meeting here has added 25 new cultural and natural sites to the list of the world's heritage. The North American, Africa, Asia and the Middle East.

The new sites were agreed on by delegates of the International Centre for the Protection of the World's Heritage. They include:

Canada: Burgess Shale (British Columbia), one of the biggest sites in the world for marine fossils.

United States: Redwood National Park (California), which has the tallest trees—sequoias—in the world reaching to 330ft.

Ethiopia: Four sites were chosen here. The lower valley of the Awash, noted for fossilized human remains; the Tiya site, noted for its fossils of ancient Ethiopian culture; Aksum, historical site mentioned in a first or second century text of an early kingdom; and the lower valley of the Omo, site of one of the oldest known prehistoric encampments.

Ghana: Traditional buildings north-east of Kumasi, last relics of the Ashanti civilization.

Pakistan: Ruins of Mohenjodaro (the Indus civilization), and Remains at Taxila, including fortified cities.

Syria: The ancient city of Bosra, with the world's only remaining complete Roman theatre.

Mexico: The city of Valparaiso, the capital, which has remained more or less untouched since 1798; ancient Aztec temples on the island of Gzco; and the underground Mayan Safrin monument and ancient labyrinth.

Cyprus: The Aphrodite Temple.

Norway: The mining town of Roros and old wooden buildings. — Agence France-Press.

## Disgraced 'Gang of Four' likely to be tried soon

Peking, Sept 4. — The disgraced "Gang of Four" leaders are being held in the central police headquarters in Peking, indicating that their trial is likely to be held soon, diplomatic sources said today.

Jiang Qing, Wang Hongwen, Zhang Chunqiao and Yao Wuyuan were expected to face trial in the Supreme People's Court by the end of this month, accused of plotting against the state.

"There had been some suggestion that the trial might be delayed for a short while, but the presence of the four in the Peking cells suggests it is likely to occur soon."

The four leaders had risen to power during the turbulent years from 1966, but were arrested and jailed in October 1976, a month after Mao Tse-tung's death. They were accused of plotting to usurp party and state power.

Mr. Deng Xiaoping, the senior Deputy Prime Minister, said in

## Inquiry into Canadian press ownership

From Our Correspondent, Ottawa, Sept 4

A Royal Commission has been established to investigate the concentration of ownership in the Canadian newspaper industry. A Government announcement yesterday said the commission will be headed by Mr. Tom Kent, Dean of Administrative Studies at Dalhousie University in Halifax.

Mr. Kent, who was born in Stafford, England, is a former assistant editor of the *Evening News* and former editor of the *Winnipeg Free Press*.

The Royal Commission inquiry follows last Wednesday's closure of two newspapers, the *Ottawa Journal*, owned by the Thomson family, and the *Winnipeg Tribune*, owned by the Southam chain. The closures left the Thomson-owned *Winnipeg Free Press* and the Southam-owned *Ottawa Citizen* without local English-language daily competition.

At the same time, Southern took over sole control of the *Yamoucheau* and bought out Thomson's monetary interest in the *Montreal Gazette*, giving itself total control in the Montreal English language markets as well.

Kishinyov, the capital of the republic.

The Catholics of Kishinyov were warned that if they complained, the Kishinyov local church would be closed down. Unaware that their priest had been banished and his licence to serve as a priest revoked, Catholics from many parts of Moldova made their way to the small Kishinyov church on the Feast of the Immaculate Conception, but they found the church surrounded by KGB agents and troops.

"Chronicle" reported. After this, the news of the expulsion of the only priest in Moldova spread rapidly through the republic.

## Catholics in Moldavia lose last priest

By Gabriel Roay

The Council for Religious Affairs of Moldavia has deprived the Roman Catholic community of this Soviet republic with a population of four million of their sole remaining priest.

Until recently, the council had opposed the registration of the prayer house in the town of Beltsy, making the celebration of Mass, and even the holding of prayer meetings an indictable offence. But when the local church committee won its long-drawn-out legal battle with the central authorities, the council swiftly capitulated. Father Vladislav Zavalnyuk, the only priest, was banished.

The last two special reports of the *sanitad*. "Chronicle of the Lithuanian Church" have shed light on the mixture of legal chicanery and crude oppression used against the Catholics of Moldova who now have several houses of prayer but no priest. Before the incorporation of the former Rumanian provinces of Bessarabia and Bucovina into Soviet Moldova at the end of the Second World War, there were more than 200 Roman Catholic churches in the two provinces.

The official explanation given for the banishment was that the priest "had violated the law by ministering to Catholics outside the city limits of

## Traditional values revived Japan more military-minded

Viewed and assessed by any measurement, it is apparent that since 1945 Japan has been more military-minded and more conscious than now. Clearly and unequivocally, the country has cast off its pacifist foreign and defence policy and responded to it, if not taken advantage of it, by a more aggressive posture. A defence structure commensurate with its economic strength.

The Cabinet of Mr. Zenko Suzuki, the new Prime Minister, contains more hawkish ministers than any other in the recent past. Behind the Government and the diet (parliament), more than 80 per cent of whom identify themselves with a middle class live standard and prefer rule by a conservative party. Rarely can the social climate have been more tailored to the revival of traditional values.

Mr. Suzuki and a number of cabinet ministers recently visited the Yasukuni Shrine where war dead and war criminals are enshrined. That was after a government-sponsored memorial service nearby which was attended by Emperor Hirohito. The Government is intent on re-submitting a Bill which, if approved, would place the shrine under state management.

That move has more popular support than ever, although those enshrined include people who were responsible for war and who were once condemned but who may now be recognized as martyrs and heroes. That is partly due to efforts by right-wing movements to restore religious fervour and individuals identified with underground gangster groups, such as Mr. Yoshio Kodama who, although on trial for alleged involvement in the Lockheed scandal, still wields substantial power.

Two recent government papers—one on security and the other on diplomacy—are clearly designed to lead Japan to a militarily stronger place in the western community.

While the first deplors Japan's vulnerability to an enemy (unidentified but unmistakably the Soviet Union), the second emphasizes the need for Japan to be prepared to meet sacrifices as a full-fledged member of the West. Both papers have condemned the Soviet intervention in Afghanistan and it is this anti-Russian sentiment shared by a large section of the population, that has helped to silence criticism of the military build-up.

Among the debates on Japan's defence problems, which include advocacy of conscription and of a defence budget of 2 per cent

of the gross national product, four factors have emerged which are particularly relevant.

The first is the decision to equip the armed forces with sophisticated offensive weapons such as air-to-air missiles.

The second is the revived move within the Liberal Democratic Party to revise the constitution. Mr. Yoshio Sakurachi, secretary-general of the party, has recently declared that revision of Article 9 of the constitution, which renounces war as a means of settling international disputes, should be given serious consideration. Those who want constitutional amendment also hope to restrict the rights of the individual in favour of "public welfare."

The third is the decision to give special consideration to the compilation of the defence budget for the next year. While the average rate of increase on the current budget has been set at 7.5 per cent, the increase allotted to the Defence Agency has been set at 9.7 per cent. The proposed increase is designed to step up efforts, being urged by Washington, to bring defence spending up to 1 per cent of GNP within three or four years. The United States is known to want that goal reached within three years.

The fourth is the renewed

argument over whether possession of nuclear weapons is constitutionally permissible. The Government's view is that it is within the context of defence of the nation. The statement to the contrary made last month by Mr. Masayoshi Ito, the Foreign Minister, was immediately evaded by criticism from various political and government sectors, including some from within his own ministry.

Indeed, the question of nuclear weapons seems to have entered a new stage and a section of the LDP has advocated amendment of the so-called three non-nuclear principles (non-use, non-production and non-storage) "in view of the new developing situation." The last of the three principles will be the main subject of debate because Japan is under the United States nuclear umbrella. The contradiction between that status and the non-storage principle has never been openly discussed in political circles.

How the debate will develop is unpredictable. However, the popular belief that Mr. Suzuki was a "safer" choice as Prime Minister than Mr. Yasuhiro Nakasone, a leading hawk, will have to be revised.

Koji Nakamura

## Mexican ghost town with one telephone

The dusty old mining village of Guadaluazar in the hills beyond the city of San Luis Potosi in north-eastern Mexico has had its years of ill luck before, but now it seems it will never recover.

The future is so grim that Guadaluazar's once bustling streets are rapidly becoming part of a ghost town and work is so scarce that as soon as Guadaluazar's young people finish secondary school, they leave.

Many of them apparently reach the United States as illegal workers, adding to the steady flow of hundreds of thousands of Mexicans who seek jobs in America every year.

Mexican experts on the illegal exodus cite Guadaluazar as being one of the most seriously affected villages in the state of San Luis Potosi.

Surrounded by desert and cacti, Guadaluazar has three churches, one telephone, two squares, half a dozen general stores, a billiard hall-cum-bar and a conspicuous lack of people.

No-one knows exactly how many people have left in the past few years. However, most of the roughly 1,500 remaining are either young or old. There is a strange dearth of young working men.

The score or so streets are

lined with abandoned, adobe houses, many of them derelict. Scores of padlocks and discoloured wooden doors are usually nothing more than symbols of protection. Behind them, the very houses from which invaders were once barred are disintegrating. The hammer and sickle sign are daubed on some walls that still stand.

Hungry dogs dived in the middle of the streets, knowing that a vehicle no more dangerous than the donkey-drawn water cart will imperil their lives. Piped drinking water supplies have been cut for a month because of a malfunctioning water pump.

It is all a far cry from the glorious days when Guadaluazar was a thriving mining town. In 1620 the Guadaluazar mine was opened and yielded gold, silver, copper, zinc and blisnau for three centuries.

It was one of the richest mining villages in the country—but no more. The mine was boarded up years ago. Nobody seems to know when.

The village was left without an industry and nothing came of the politicians' promises for redevelopment.

Just as they did during the revolution earlier this century, the villagers left to seek work elsewhere. Only a few have stayed to eke out something of

a living from the dry land.

In the revolution, Guerrillas led by Magdalena Cedillo sacked Guadaluazar, raped its women and stole its food. Two families did not flee then—the Aguilars and the Muñozes.

Senior Fortuago Aguilar, one of the three children in the Aguilar family, is 65 years old and refuses to leave now.

Unmarried, and stooping, he works as an odd job man. "The village is almost deserted once again. There's no work," he said, pulling at a dirty, yellow shirt, buttoned up to the neck and spotted with cement.

He was tending the courtyard of the church of San Pedro, built in 1725 of yellowish stone. The church's five bells were made in Guadaluazar in the days when the village had its own foundries.

The wind whistled through the half a dozen pine trees in front of the church as Senior Aguilar reminisced about "the many rich people who lived here once."

Inside the church, Senior Sacristan Juan Ursulo Garcia, aged 55, tried to justify the 30 pesos (about 60p) he earns every day.

"The revolution brought about this place's downfall," he said. "It was a rich place before. We've been promised all sorts of changes. President Echeverria visited us once and

Stephen Downer















THE ARTS

# Neil Simon discovers an uncontrived profundity

Chapter Two (A)  
Odeon, Leicester Sq.

Rough Cut (AA)  
Plaza 2

Heartbeat (X)  
Gate 2

Harlequin (X)  
Classic, Haymarket

In the Year of  
13 Moons  
Electric Cinema Club

Without being in any way the most expert, *Chapter Two* is easily the most interesting and attractive film that has been made from a play by Neil Simon. The surface is not such brittle, machine-gun dialogue as before; the essential morality of Simon's view of sex and marriage is more in evidence, along with a new capacity for exposing deeper human feelings. Maybe the reason is that the story is, as we are told, essentially autobiographical. James Caan, evidently representing the author's experience, plays a newly widowed man who meets a new divorcee (Marsha Mason, in real life Mrs Simon).

This time the conventional structure of a Simon three-act play (they meet and fall in love; things go wrong; things are mended again for a happy end) is not a contrivance but the very theme. These two people on the rebound fall in love, are rushed into things by well-intentioned friends and relatives and by the general pace which is supposed to be proper and normal for mid-

twentieth-century emotions. The marriage starts to founder as soon as the honeymoon begins, under the weight of the husband's guilt and self-regret over his dead wife. They separate, but gradually come together again, given time, patience and the ultimate realization that the living cannot stay thralls of the dead, however well loved.

The roles are much more demanding than the usual Simon dialogue show. Marsha Mason rises magnificently to her part and makes her big brave speech sound like a real life Caan, who is now an experienced, and excellent actor, has perhaps a harder task in giving credibility and sympathy to the irrational emotional lurches of the husband and the usually his unwelcome judgments on the loyal and unwaveringly loving second wife.

The director, Robert Merson, who has ably adapted his style from previous work on more farcical Simon scenarios. The marvel of *Rough Cut* is that it is no worse than it is given the difficulties this British production underwent. Originally it was to have been directed by Blake Edwards, who would have suited the rather damp froth of the script by "Francis Burns" (a pseudonym apparently) the original writer, Larry Gelbart, whose name is on the picture. Eventually, James Caan, as we are told, was taken over by Don Siegel, who has always professed a desire to move into light comedy, but here still wields the *Dirty Harry* touch.

Siegel was fired (according to *Variety*), and then rehired by the producers, Jerry Markstein, in the course of production, and an ending was shot by Robert Ellis Miller. Since anyone slightly familiar with the caper film genre can see the difference, how this one is going to turn out long before the film is halfway through, it is hard to see why there should have been a dispute over it.

The film's worst fault, perhaps, is overlength. Given 120 minutes less running time, the story would have been in the attention, even though neither writing nor direction enables the actors adequately to exploit their own merits. But Reynolds usually a much swifter and livelier light comedian, is a playboy and crack jewel, thief and Lesley Ann Down a seductive and well-connected kleptomaniac, black-mailed into acting as an agent provocateur. David Niven goes dutifully through his part as a wily Scotland Yard inspector looking for his biggest coup on the eve of retirement.

*Heartbeat* is an odd, attractive and finally not very successful film which, startlingly alerts the older among us to the long passage of time since the emergence of the Beat Generation. It is determinedly a period piece; and the recreation of the late Forties atmosphere, the uneasy time between wars, is the most substantial merit of the film.

It is a fictionalized (and somewhat powdered) account of the relationship of the writer Jack Kerouac and his friends Neal and Carolyn Cassidy, who both figure large in *On the Road*; and of the impact of the publication of Kerouac's book, rocketing him to a rather disreputable celebrity and popularizing—ultimately commercializing—the Beat scene. When it comes to this last element of the film, the script by the writer-director John Byrum (suggested, say the credits, by Carolyn Cassidy's memoir) tends to fall into regular biopic cliché: the hero who is misled, if not corrupted, by success, and the incorruptible friend who looks like a conscience in the background.

It is doubtful how large an audience will still be attracted by this revisiting of the Beat Generation, and doubtful, too, whether those who do feel satisfied that this is really a definitive statement on it.



James Caan takes time out from marriage in *Chapter Two*

But Nick Nolte (as Neal) is dominating presence; John Heard is cleverly understated as Kerouac, who from his own insecurity admires his friend's self-knowledge; and the new Cissy Spacek—glamorized to appear rather like the old Gloria Grahame—admirably combines the sensibility and the resilience of Carolyn, the shared wife of the ménage à trois.

*Harlequin* is precisely the sort of thing that can do nothing but harm to the emerging Australian cinema, and it is troubling to find that it is in part financed by the Australian Film Commission. It is a determined attempt at creating "international" appeal by introducing English and American actors, dubbing in evident Australian accents into American, and using locations

and settings that have no evident geographical or national actuality. The result, inevitably, is a queer, sterile limbo-land.

The idea was originally not a bad one: the Rasputin story is updated to make the Tsar a high-ranking politician (David Hemmings), whom ambition has delivered into the hands of corrupt and criminal business elements. Rasputin (Robert Powell) turns up as a professional entertainer at a birthday party for the politician's fatally ailing son, and then turns into a magician with supernatural powers and a wardrobe of ostentatiously camp clothing.

The script is so awful that Powell and Hemmings are hardly to be blamed. It looks like pure cruelty, though to push an aged Broderick Crawford—an ossified rather than actually rocklike presence—through the role of the majestically king.

Much as I admire Fassbinder, I am no fonder at second viewing of *In einem Jahr mit 13 Monden*. The year 1978 was one of those rare ones in which there were 13 moons instead of 12, a phenomenon which is popularly reckoned to do no one any good. Fassbinder's personal misfortune during the year was the suicide of his lover, while he himself was at the Cannes Festival; and the film seems in some way a tribute to his memory.

It is a *tour-de-force* exhibition of human oddity. The central figure is a transsexual and transvestite in the last days of confusion and despair leading up to suicide. She visits the

slaughterhouse where once she was a cheerful working man; returns to the orphanage where she is reminded of a sad and lonely childhood; seeks out the man for whose love she changed her sex—a mephistophelean whoresmaster now risen to the heights of the West German business world, and passing his life in acting out infantile sex fantasies.

The film is largely a solo by the actor Volker Spengler, and fails to make any sufficient human or philosophical point to account for his two hours and more of discouraging glumness. Any bright spots are provided by the highly eccentric playing of Ingrid Caven as a prostitute and somewhat dim confidante to the leading character.

David Robinson

## Book review

The Enemy  
By Jeffrey Meyers

(Routledge & Kegan Paul, £15) Wyndham Lewis's last words were spoken to a nurse who enquired about the state of his bowels: "Mind your own business." This hostile utterance epitomized the manic secretiveness of the man. For throughout his career Lewis shrouded himself in opaque fog of mystery.

Born in 1882, he habitually lied about his age. He disguised his bourgeois antecedents. He eradicated his Rugby accent. He kept his wife in such strict purdah that his closest friends did not know of her existence. In all weathers he muffled himself behind sombrero, scarf, thick coat and dark glasses, and wore gloves in the ABC so that the gloves would not bear his fingerprints. He even denied his own identity, when greeted by name in a pub he claimed to be "Captain Brown".

T. S. Eliot, a life-long intimate, described Lewis as "the most fascinating personality of our time" yet professed never really to have known him. And though, to complicate the puzzle, younger acquaintances found him an "open person", Lewis always kept his distance from "friends", fiancées, "colleagues". They were "live-stock" and he was the "herdsman".

The true artist, surrounded by a multitude of unsatisfactory replicas of himself, must shun contamination. The masses, those "hallucinatory automata",

posed a threat to the purity of his inspiration. Thus Lewis, who aimed to create a "magical-metastrophic masterpiece", found himself in a state of perpetual warfare with the rest of humanity. Hence those frantic bursts from the "Lewis gun"—Vorticism, Blast, The Apes of God and so on—which punctuated the history of western culture (that "moronic inferno of insipidity and decay") during the first half of the century.

The *Enemy* is therefore an apt title for Jeffrey Meyers' intriguing biography of Lewis. The book's great merit is that it draws on an impressive array of original sources and affords many new clues for the literary detective engaged in the quest for Lewis. But though Professor Meyers possesses enormous investigative energy, he lacks the synthesizing power (not to mention the literary skill) of someone like A. J. A. Symonds. For example, Meyers evidently cannot make up his mind how to explain Lewis's Corvine behaviour towards his patrons—one benefactor received a postcard inscribed simply, "Where's the fucking, ad-pend?" Was this paranoia, or creative hatred, or, as Lewis himself pleaded, justified "less-argued"?

Similarly, like those academics who tawdry themselves with spurious wit by identifying with D. H. Lawrence, Meyers sometimes becomes the partisan in his subject's vitriolic disputes. True, he shows that Lewis was occasionally in the right, as in his celebrated quarrel with the Pecksniff-shark, Roger Fry.

Despite all this Meyers provides a rich trove of raw material for a do-it-yourself solution to the Lewis enigma. And this is surely to be found in the personal battle, which waged with particular ferocity in the subterranean depths of Lewis's personality, between classicism and romanticism, on a cerebral level, in painting, writing and life. He espoused a rigorous rationalism. He favoured a hard, formal, disciplined style, bereft of sloppy emotionalism. Yet temperamentally he was quite uncontrolled, the victim of wild passions and vehement prejudices.

With his flamboyant manner, compulsive womanizing and "chilling mystery of mind", Lewis is often compared to Byron. But it was that other great Romantic (and enemy of the human race), Rousseau, whom he more closely resembled. Like Jean-Jacques, he was fiercely egotistical. He abandoned his own children. And he suffered from a persecutory mania which gave a hectic flush to his art and poisoned his life.

In 1940, driving through swirling mist in the Connecticut woods, Lewis saw a submarine following him, "manned by the silent and determined enemies of the Enemy". It had surfaced briefly, doubtless to recharge its batteries, before submerging again to carry on active service in the recesses of Lewis's psyche. It was the enemy within which provoked the enemy without.

Piers Brendon

## Edinburgh

Cheri  
King's Theatre

John Percival

Colette's famous short novel about the self-centred, pretty boy and the older woman who loves him is full of references to dancing, so nobody should object that Peter Darrell has made a ballet of it, which the Scottish Ballet are doing at the King's Theatre this week in what is only their second appearance at the Edinburgh Festival's official programme.

The plot which Darrell has devised in collaboration with the author's daughter, Colette de Jouvenel, stays faithfully to the original characters and situation, while condensing the action and omitting some incidents: the beginning of the love affair goes unexplained, and Cheri's adventures with his friend Desmond are left out. Those are no great loss, since the prime interest of the book is not Cheri but Léa, and luckily Darrell has an ideal interpreter for that role in Galina Samsova.

Léa herself is obviously interested in only two things: her love for and possession of Cheri, and her apprehensiveness about her ageing body. In a ballet lasting about an hour, with the leading character on stage most of the time, that could lead to monotony: it is amazing how Darrell and Samsova hold the interest unerringly, creating a full-length story out of remarkable depth and detail.

Certain motifs recur throughout: her nervous way of looking in the mirror at the foot of the bed (so different from Cheri's, in which she admires her own body); the way she repeatedly feels her neck for fear of incipient lines. Samsova manages to give the gestures a different inflection each time. Also important in her characterization is the fact she knows, and shows, how a lady behaves in all circumstances.

The ballet is not quite a new woman show but everyone else is a subordinate character. Bissell, a young American dancer making his British debut as Cheri, has reported virtuosity to be taken largely on trust, but his brief scenes reveal great fluency and flashes of brilliance. He is nervous enough and in the duets he reveals impressive strength, skill and expressiveness. Darrell caricatures many of the minor characters heavily, but Sally Collard-Centle makes much of Cheri's mother-in-law.

David Léa's score is a rarity among recent ballet music in being unfailingly tuneful. Some of the melodies get stretched a long way, but the variety of instrumentation adds character, and the music is helpful in the plot in the same way as Philip Probert's designs, even though the stage simply but effectively for quick scene changes.

## Wildcat rock

For one theatre company it was the Vatican that made the biggest impact in the third week of the Edinburgh Festival. For weeks George Byatt was able to tell the tale of his play, *Why Does the Pope Not Come to Glasgow?* before the Pope decided he would. Not many companies had that sort of timing and even Mr Byatt's show suffered from bad timing for critics, joining the log jam of performances at the peak hour of eight in the evening.

All the Scottish touring companies were in that cluster. From 7.34 and Borderline to the newest group, Wildcat, and the most successful, the Wildcat Theatre. Their rock-musical style is clearly derived from the pop music of the 1960s, with variations that escape me, and their musical proficiency is high.

What is not high, and it is a shame, is the calibre of the writing between songs. The company seem so aware of that themselves that they dispense with most potential scenes of dialogue and heighten the few didactic bits of narrative with light rhyme.

In their new show, *Blower*, they tune themselves accurately to the mania for Space Invaders, a pub game that has swept Britain just as it swept Japan a year earlier. The music emphasizes the appeal of the game and they connect it to a tenuous social conflict that might have become vitally important if it was integrated by a writer. Instead, by introducing an alien from space, an android, the workers in conflict with bosses over the new technology, the authors, David Anderson and David MacLennan, simply remind spectators of the social problems.

Some of Mr Anderson's music is as theatrically effective as any now being written in the rock idiom, particularly a song called something like "You Got to Do This" and when the songs are strong Mr MacLennan's direction gives them force. The company are talented as musicians and singers, but the show never goes far enough beyond the concert form to become real theatre.

Rock music is everywhere in the fringe this year, and in the production by the Oxford Revue Group, *Radio Active*, are two send-ups of rock: a song called "Tim the Gecko" in the style of Elvis Presley and an uncanny mockery of the Bee Gees called "Meaningless Words with Very High Vowels".

The Theatre School from Arnhem offered some attractive performers in a rock satire, but their presentation seemed accidental in form. Their training up to now seems to have been abridged too far.

Ned Chaillet

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GATE 22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100

A Film of remarkable wisdom and beauty  
The Consequence

RAINER WERNER FASSBINDER'S  
IN A YEAR WITH  
THIRTEEN MOONS  
Starring INGRID CAVEN  
and VOLKER SPENGLER

STARTS SEPT 7

Jack Kerouac, fathered the "Beat Generation". Neal-Cassidy was its first folk hero. Carolyn Cassidy loved and shared them both. This is her story. "Heart Beat."

NICK NOLTE SISSY SPACEK JOHN HEARD  
NEW SHOWING GATE TWO

SNO/Gibson  
Albert Hall/Radio 3

William Mann

Hotfoot from the Edinburgh Festival and BBC's *Woman's Hour*, Sir Alexander Gibson and his Scottish National Orchestra came south on Wednesday to visit the Henry Wood Proms.

Lindsay Quartet

Wigmore Hall

Max Harrison

Wednesday's concert by the Lindsay Quartet was the first of a series in which they are to play all four of Sir Michael Tippett's string quartets. In the opening piece, *Haydn's Opus 20 No 1*, the happy impression was conveyed that the "staccato" of the Wigmore Hall, always kind to strings, were actively co-operating with the ensemble.

Macbeth

Old Vic

Irving Wardle

Anyone prompted by *The Dresser* to start pinning for the good old days of the actor managers will find a useful corrective in this Peter O'Toole-Bryan Forbes collaboration which gruesomely evokes the kind of thing one used to get from Wolait on a bad night.

Macbeth

Old Vic

Irving Wardle

Two assumptions underline the show: that it is happening mainly for the sake of the star, and that the stage is a world unto itself. Over the past 20 years we have come to expect Shakespearean production to combine the theatrical pecking order with that of ordinary human life. On Mr Forbes's stage, status is entirely an internal stage affair. Come the Porter scene, and Gerald Sim puts on a posh voice and lords it over the high-ranking visitors. Naturally, it is his scene and he has the most lines.

Macbeth

Old Vic

Irving Wardle

By no means all the supporting company consists of unknowns, but whoever they are they fall repeatedly into semi-circular school play groupings, holding up their banners on the top level of, or adopting the one-up, one-down stance on the steps of Keith Wilson's rostrums.

Macbeth

Old Vic

Irving Wardle

Unbroken continuity of action is another factor we now take for granted; here again Mr Forbes puts the clock back by punctuating virtually every scene change with a blackout and filling in the gap with bedlam, sounds of war, and ominous flutters on the

Macbeth

Old Vic

Irving Wardle

overheard pondering about her artistic indebtiness to Beethoven, or lack of it since the quotations sound either flippant or desperate, and the music suggests that a strong and attractive original composition by Musgrave was spoiled by having to be about Beethoven.

Macbeth

Old Vic

Irving Wardle

After such works Borodin's Quartet 2 provided just the right sort of change in pace. He wrote it unusually quickly, in fact during a month in the country, as we might almost guess from its mellifluous charm.

Macbeth

Old Vic

Irving Wardle

height in the finale where it is conveyed by means of joltingly irregular accents.

Macbeth

Old Vic

Irving Wardle

Possibly another result was the seamless flow of the music's lines, which seem to run from the first bar to the last. Certainly it is packed with musical ideas whose impact is increased by the three movements being played without a break; and in many places the argument is more volatile than anything composed in this country is ever supposed to be. The Lindsay Quartet, some years ago recorded Tippett's first three quartets, and their performance was delivered with a commanding authority.

Macbeth

Old Vic

Irving Wardle

It would be interesting to hear the original version of Tippett's Quartet No 1, instead of the revision made later and which the Lindsay ensemble of course played. Perhaps some effect of the revision was to concentrate the gap with the concentration of the cello

Macbeth

Old Vic

Irving Wardle

Macbeth

Old Vic

Irving Wardle

run a very affectionate coven, and move in on Macbeth and Banquo with more to hand than prophecies. Separately, they are indistinguishable, but really has something to fear, until the production brings him on in the banquet, descending the rostrum steps saturated with frothing blood capsules to pursue the luckless monarch round the table.

Macbeth

Old Vic

Irving Wardle

Francis Tomelny's Lady Macbeth bears such a close resemblance to the witches that one expects the show will include the Hecate scenes. It does not; things but not a battered cherub. Brian Blessed, much the best of the supporting company, creates a formidable and intelligent Banquo from whom Macbeth is indistinguishable, to fear, until the production brings him on in the banquet, descending the rostrum steps saturated with frothing blood capsules to pursue the luckless monarch round the table.

Macbeth

Old Vic

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Macbeth

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Macbeth  
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Anyone prompted by *The Dresser* to start pinning for the good old days of the actor managers will find a useful corrective in this Peter O'Toole-Bryan Forbes collaboration which gruesomely evokes the kind of thing one used to get from Wolait on a bad night.

Two assumptions underline the show: that it is happening mainly for the sake of the star, and that the stage is a world unto itself. Over the past 20 years we have come to expect Shakespearean production to combine the theatrical pecking order with that of ordinary human life. On Mr Forbes's stage, status is entirely an internal stage affair. Come the Porter scene, and Gerald Sim puts on a posh voice and lords it over the high-ranking visitors. Naturally, it is his scene and he has the most lines.

By no means all the supporting company consists of unknowns, but whoever they are they fall repeatedly into semi-circular school play groupings, holding up their banners on the top level of, or adopting the one-up, one-down stance on the steps of Keith Wilson's rostrums.

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# Construction in the Arab world

## British firms ask 'Is it worth it?'

Saudi Arabia's third five-year development plan, with its intended expenditure of about £100,000m, and Iraq's steadily growing market for machinery and materials would seem to indicate that the Arab world is a hotbed of construction work. But British firms, formerly so keen on the Middle East construction market, are now asking: "Is it worth it?"

But British companies increasingly ask themselves "Is it worth it?" Since the hectic boom of the mid-1970s, when there was more than enough work to go round, the initial hunting grounds for British contractors in Saudi Arabia and the Gulf states have become high-risk areas. Add to this Britain's dwindling share of the market, and it becomes less surprising that companies and firms whose main overseas turnover for the past decade has come from the Arab world should turn further afield in urgent search of new and stable markets.

Figures compiled by the Department of the Environment for the year ending March 31, 1979, showed a continuation of the decline in new work won by Britain, which began in 1976, and this year's figures are expected to show an even greater fall.

Annual reports for last year from leading British construction companies in the Middle East show correspondingly low figures. Costain, for example, reported a Middle East turnover down by £71m, and Taylor Woodrow's profits in the region fell from £2.4m in 1978 to £5.2m.

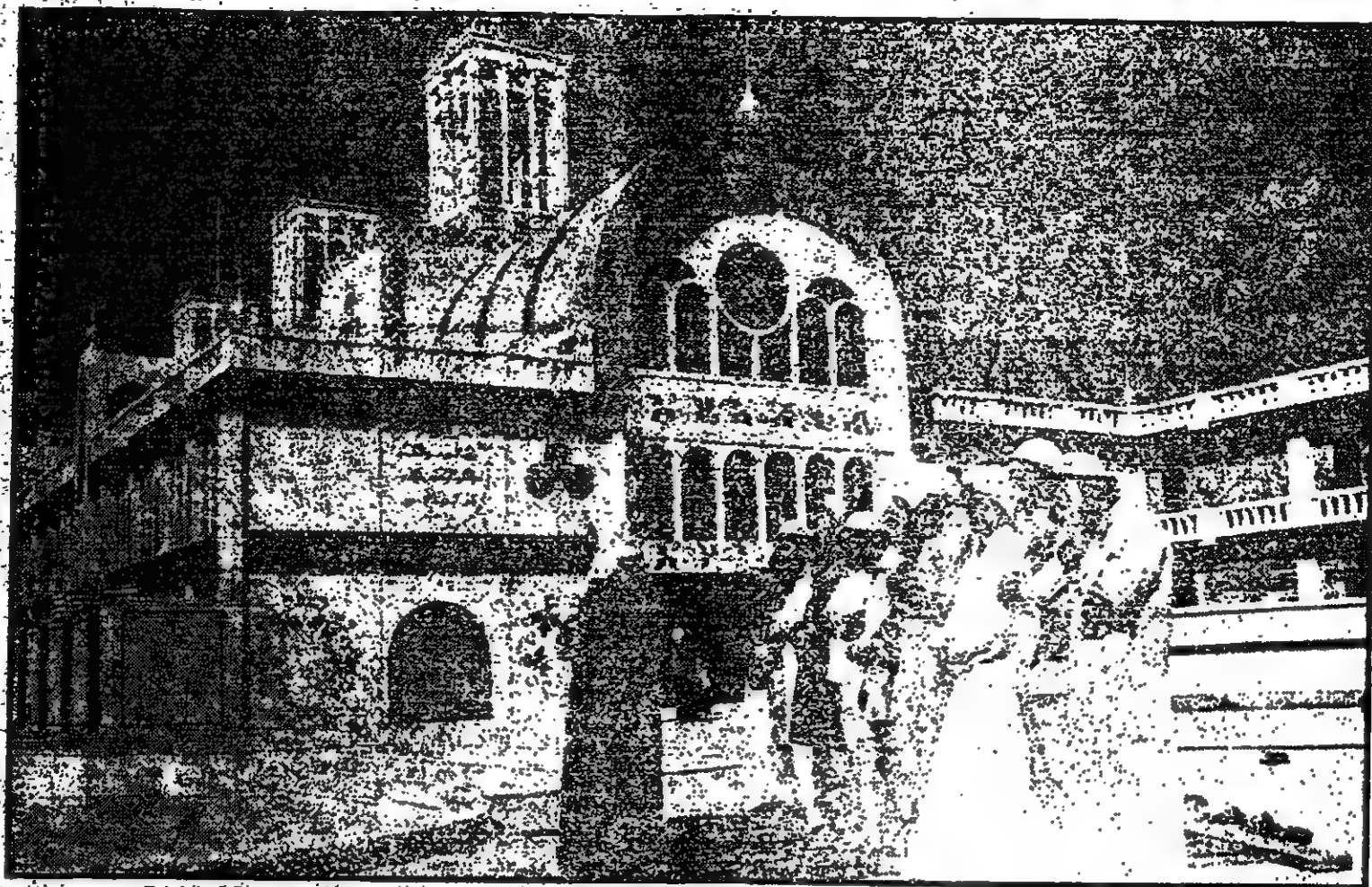
For consultants, the one-year development plan, which appears less daunting, although in 1979 the Association of Consulting Engineers reported that the total estimated cost of over 100 new projects in Saudi Arabia had fallen marginally from £36,290m in 1978 to £35,625m. Individual firms said their Middle East work had not decreased significantly.

But both consultants and contractors say that fierce competition has radically increased. Middle East operations in the past few years. The impact of South Korean and other Asian companies on prices has been well chronicled, and reports suggest that the overseas initiatives recently launched by China's state construction corporations, particularly in the export of labour, have added a new and disturbing dimension to an already bleak and crowded horizon.

Moreover, the strong pound has placed one more burden on British contractors in a market where awards are largely determined on the lowest lump sum fixed price rather than on quality or reputation.

When faced with such slim profit margins, contractors have understandably become wary of inflated operating costs and delayed payments on huge projects such as the Saudi Bahrain causeway, for alone the initial expense of preparing bids and making tender bonds.

Seven leading British construction companies were members of the 22 consortiums which took out tender documents for the much publicised 25km of bridges and



embankments between Saudi Arabia and the island of Bahrain. Only one, Cleveland Bridge, remained among the 15 consortiums which eventually made bids, and the very first to drop out was the wholly British group of Taylor Woodrow, Costain and Kier.

Competition for consultancy work in Saudi Arabia and the Gulf states has also made the going more arduous for British consultants, complemented by increasing commercialization of the relationship between consultant and client, which is eroding the traditional concept of client and independent adviser. Terms of

reference are often undefined and lead to studies which do not match the client's expectations.

Two largely unexplored markets which might give a fresh injection of work are Iraq and Algeria. But in Iraq, the main obstacle lies in even reaching the pre-qualification stage, as shortlists of suitable contractors are often chosen before the official advertisement involving prequalification bids appear.

Iraqi government agencies have also been known to by-pass tender procedures by entering into secret negotiations with one pre-

selected contractor. Furthermore, the allocation of places on tender shortlists is often made on national grounds.

Photograph: Ed Mullis

Midday prayers outside the suk in Sharjah, UAE, which was designed by White Young and Partners of Great Britain, who were also the prime consultants and the project managers. The suk was completed last year.

GKN was the only British contractor to prequalify for the £20m Basrah international airport last year, but eventually pulled out of

the short-list, having failed to interest other British companies as sub-contractors. Although the British "slot" was offered to other companies, there were no takers, contractors shying away from pricing such a large job in the short time left.

When tenders were finally returned in the late spring of this year, after several extensions of time, Costain did participate, but only as a sub-contractor to Mitsubishi of Japan for the heavy works.

Iraq offers more equitable terms to consultants, although the newer state organizations set up to orchestrate industry and agribusiness reportedly deal

with consultants on much the same levels as in Saudi Arabia.

The lingering predominance of French interests in Algeria, Tunisia and Morocco has hitherto deterred British contractors, but Algeria has of late opened its doors wider in an express attempt to move out of the French trade sphere of influence on the North African coast. Despite the country's former dubious payments record, said now to be improving, British contractors have been negotiating for work on services connected with ports and housing, though these negotiations seem to take an inordinately long time by standards in other Arab countries.

Although British consultants have scored a number of significant successes in Algeria—most notably W. S. Atkins with its commissions for a huge steelworks and a teaching hospital—future opportunities are likely to be within the large state organizations in a support and training role, rather than on an independent basis. Indeed, this trend towards direct local involvement is evident throughout the Arab world, as more consultants work on the ground alongside or in conjunction with local firms, instead of operating from a London office.

With their large capital exposure in plant and material, British construction companies are turning more frequently to the joint venture or consortium approach, in order to spread the risk on big projects. Forming consortiums is not without pitfalls, such as increased working costs incurred by the amount of time devoted to liaison, but where consortium members stem from several different countries, it unlocks doors to previously inaccessible sources of credit, an advantage in aid-dependent countries such as Egypt.

Using contacts made through consortium members in several different countries, British contractors can meet Middle East prices by obtaining quotes at more competitive rates than are available at home. Also an international consortium may present a more politically acceptable face to the client.

Political instability in the Arab world remains the overriding risk factor contractors must take into account when committing themselves to large-scale projects entailing a construction schedule of anything up to six years.

The virtual collapse overnight of the Iranian market showed British contractors how vulnerable their operations are amid the turbulence of Middle East politics, and events over the past 18 months have done little to allay their unease.

Fears for expatriate staff caused by the imprisonment of two British businessmen, Mr Ned Sparkes of Wimpey and Mr John Smith of Hestair Dennis, on alleged bribery and espionage charges, coupled with continuing apprehension over trade relations despite the lifting of an unofficial "trade embargo" imposed on British companies after the expulsion of Iraqi diplomats from London last year, played a large part in dissuading British companies from bidding for the Basrah airport job, and still make them reluctant to venture within range of Iraq's volatile politics.

Confidence in Saudi Arabia, once regarded as the most politically stable of Arab markets, was sent reeling by the Saudi backlash over the death of a Princess, and it has not fully recovered despite the reconciliation achieved by the diplomacy of Lord Carrington. The damage done has yet to be statistically quantified, but may prove to have been slight, but not only contractors suffered, as Ewbank and Partners were barred from submitting design bids for two large desalination and power plants at Mecca and Assir.

The Middle East has therefore not only lost much of its commercial lustre for British companies, but has also become an unpredictable and potentially perilous working environment. While the area will continue to provide Britain with most of its overseas construction workload for some time to come, declining overseas group turnover will be sustained only by work won elsewhere in the world. To some extent British construction companies have achieved this aim, particularly in Trinidad, Nigeria and Sri Lanka, but the new work has not yet totally replaced their rapidly depleting Middle East orders.

Jim Bodgener  
foreign reporter,  
Construction News

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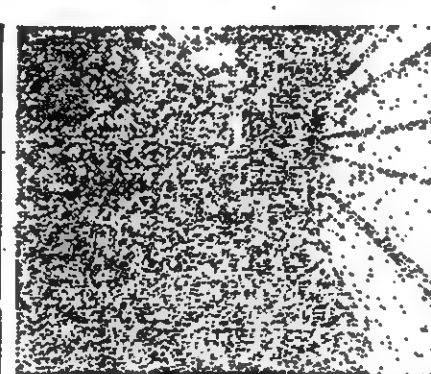
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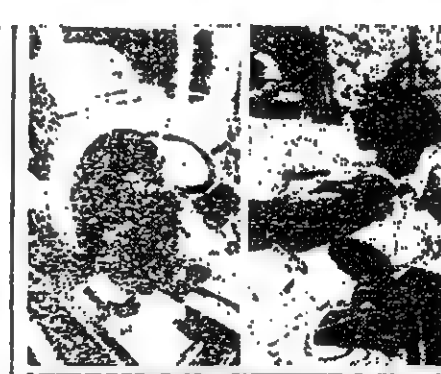
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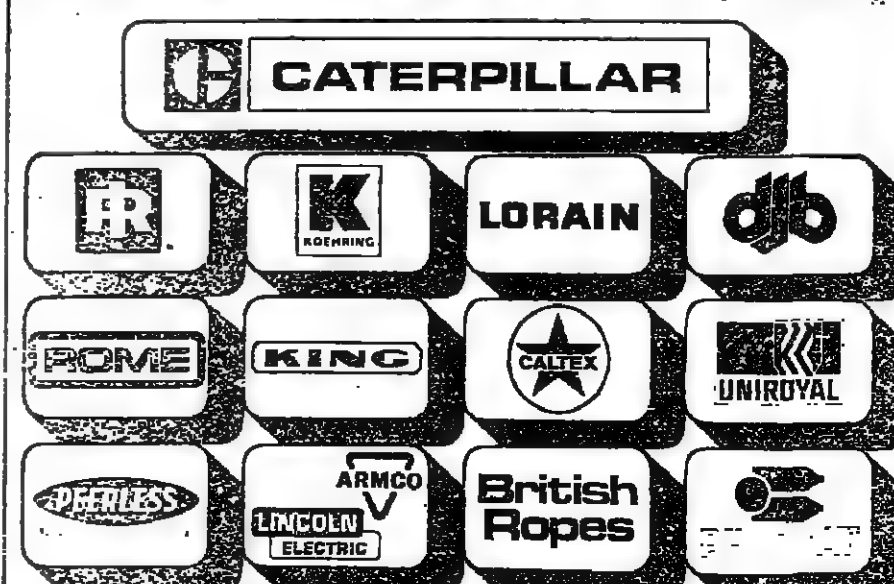


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Business risks grow as competition and contract demands continue to stiffen.

John Whelan, deputy editor, 'Middle East Economic Digest', examines the pitfalls from the points of view of foreign contractors and bankers

## Advance payments are big incentive

The biggest financial incentives in Arab contracting are the generous 20-25 per cent advance payments made to construction companies and consortiums operating on the big projects. The cost-free mobilisation funding which they represent is one of the best financing arrangements available in the world.

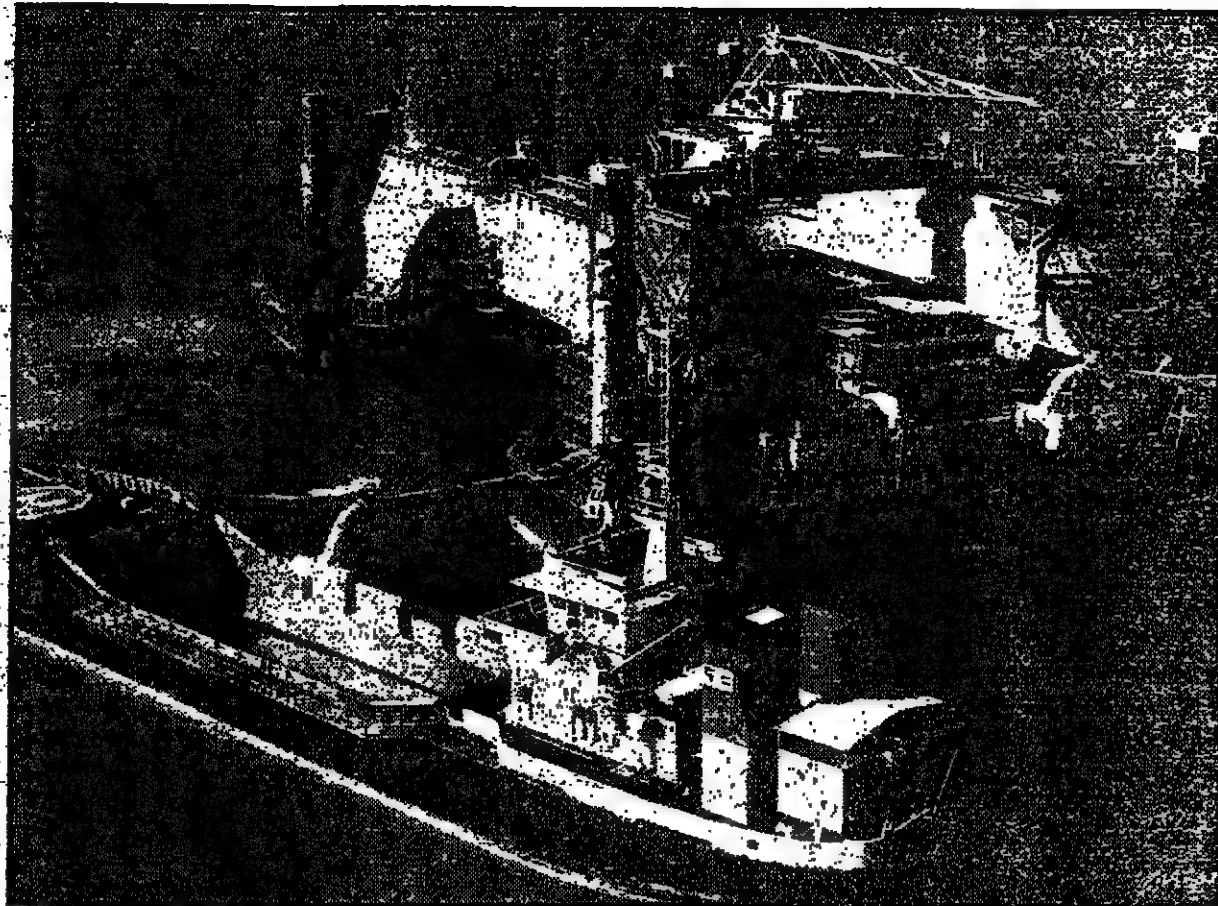
Without such an inducement it is doubtful, for example, whether the consortium which built the 66-hectare industrial harbour at Jebel Ali, outside Dubai on the Gulf coast, would have been able to invest in the equipment and machinery necessary to complete the job to a punishing schedule.

Jebel Ali Harbour was started in 1976 at a time of high levels of inflation locally. Yet even now that inflation is down to single figures in many Gulf countries, bottlenecks still remain. For example, the cost of a 100-ton container, which has been eliminated, is plaguing Iraq ports. In Saudi Arabia, too, contractors working for the United States Army Corps of Engineers recently estimated their mobilisation costs on items such as worker accommodation and equipment, at nearly \$40m. As he reflected ruefully, "That was not good for our cash flow in the early stages."

When the honeymoon is over and a contractor has digested the financial advantages of the advance payment, reality often sets in. The serious problems surrounding delayed payments seem intractable and get no better as bureaucracies improve in other respects in Gulf countries.

In 1979, shortly after the Queen visited a prestige hospital in Bahrain, the contractor was forced to withdraw from the site. The Doha Government has a reputation for payment which "sometimes" is carried to extremes but in one case it took the British contractor several weeks before it could resume work and get labour back on site. Such action is rare but not unusual. (FIDIC) is common for contractors to experience delays of 30 to 60 days in payments. Some of the smaller Gulf emirates such as Sharjah owe large sums to contractors. Even in the richer states such as Saudi Arabia payments are traditionally "sequenced" towards the end of a budget period.

By this stage in Arab contracting—which started to boom after the 1974 first big round of oil price rises—the most conspicuous companies with any standard of the market allow



A dredger clearing the approach to the port at Jebel Ali.

for delayed payments. However, the question centres on the declining markets with less new work emerging each year, and how long the contractor can carry his receivables.

The underlying principle of the Arab contract law is the *sharia* and the Arabic version of a contract or agreement is usually the binding card to extremes but in one case it took the British contractor several weeks before it could resume work and get labour back on site. Such action is rare but not unusual. (FIDIC) is common for contractors to experience delays of 30 to 60 days in payments. Some of the smaller Gulf emirates such as Sharjah owe large sums to contractors. Even in the richer states such as Saudi Arabia payments are traditionally "sequenced" towards the end of a budget period.

By this stage in Arab contracting—which started to boom after the 1974 first big round of oil price rises—the most conspicuous companies with any standard of the market allow

approach to contract conditions also seem to have become less difficult to resolve.

One reason is the growing familiarity that the international banks are developing with the market. Another is their penetration of the Gulf and Saudi Arabia. Bahrain as an offshore centre is a haven for more than 70 banks. About a dozen international banks are known to have unofficial representative offices in the kingdom.

These are discreet presences since generally speaking the Saudi Arabian Monetary Agency (SAMA) is reluctant to allow official representative offices. This is part of an attempt to stop the internationalization of the Saudi riyal. Pioneering work was done by a number of banks in educating contractors about foreign exchange risks in contracting, to which process the Bank of America made a significant contribution.

To ease this burden on the two wholly owned Saudi banks SAMA has issued a list of 100 banks around the world whose standby letters of credit provided they are confirmed by a Saudi bank which will charge a confirmation commission of about 1 per cent a quarter, payable quarterly in advance, which has the effect of doubling the cost of the guarantee at the Saudi end.

The Saudi Government once required that the letter of guarantee be issued by a Saudi bank. Before it would do so, the Saudi bank would require that the foreign bank issue a standby letter of credit in its favour to back up its own guarantee

tions for project work: 10 per cent performance bonds, 10 per cent retention, with 5 per cent released after partial completion of the maintenance period and 5 per cent at the end of the maintenance period. Advance payments are less standard than in Saudi Arabia, varying from 10 to 25 per cent, but Saudi practice is followed and in Abu Dhabi a company which is more than 51 per cent locally owned will always qualify for an advance payment.

In theory grievance procedures exist in most Gulf countries. The Jiddah Grievance Board is the most formalised but contractors rarely seek redress at that level. A Jiddah-based contractor says: "Liquidated damages are not applied on the whole. It seems alien to the Arab way of doing things; usually by the time a building is opened everything has been sorted out."

An important decision for international contractors has been the move by the Saudi Government to express contracts valued at more than 300m rials (\$36.6m) in dollars or another international currency acceptable to the contractor. This has the effect

of deflating the forward market for Saudi rials, which has grown up in Bahrain, where offshore banks service the Saudi market. There may also have been benefits for the contractor.

Between 1977 and 1978, in particular, the purchasing power of the "safe and strong" Saudi riyal fell considerably in relation to the Deutsche mark, guilder and yen and to a lesser extent against sterling. It was fairly stable against the dollar since the rial is tied to a basket of currencies in which the dollar has a 33 per cent weight. The unpredictable changes cost many contractors lost profits.

Now the denomination of contracts in dollars has had the result of easing the exchange risks as well as achieving the Saudi Government's aim of preventing the internationalization of the rial. Given the lump sum, fixed-price preferences of the Saudi Government in contracting the contractor has been relieved of the burden of projecting the relationship between the rial and the currencies in which he pays his job expenses. As one contractor said: "We only have the dollar to worry about and that's enough."

What has eaten into contracting profits in the Arab world more than any of these factors has been the growth of competition. Most contractors say the yield on revenue and turnover in Saudi Arabia—the biggest market—is running at between 5 per cent and 15 per cent. The Korean and Asian contractors will undoubtedly settle for less.

Some recent pricing by Korean contractors anxious to maintain full order books is described as "suicidal". There is also a growing tendency to negotiate after the opening of bids, which is a reflection of the growing competence of civil servants, but has had the effect of making margins even tighter.

Given these factors what is the outlook? From the contractor's viewpoint, the market has become more rational but competition has increased. The imponderables are those which the contractor is unable to control: political risk, payments delays and, most of all, growing competence in government ministries and agencies leading to tougher supervision of the contractor and cost consciousness on behalf of the client.

## The financial giants' causeway

The array of more than 40 bids submitted for the \$800m Saudi Arabia-Bahrain causeway at the end of June triggered chain reactions in many of the big international banks involved in the Middle East. Once the engineers have finished costing up one of the dozen or so mega-projects which emerge each year in the Gulf, bankers take the stage.

By November, when a decision can be expected on the causeway offer, the key financing issues will have been decided. Later, when the prime stones appear in the financial press with the participating banks arranged in a neat pecking order, it will be possible to guess at what went on behind the scenes in London, Frankfurt and Tokyo.

The Saudi-Bahrain cause-

way, although it has gripped the contracting world's imagination and set off a heated debate about the merits of steel configurations as opposed to concrete, is dwarfed by some of the other projects being undertaken in the kingdom. In 1979 Saudi Arabia was the most popular Middle East market, attracting 53 per cent of the free world's 200 leading contractors. The Saudi approach to contract finance is a yardstick for other Gulf countries and has a persuasive influence elsewhere.

The Saudi Government's regulations on bid bonds, performance guarantees and advance payment guarantees no longer rouse the fears which they used to engender for many bankers. With the generally more rational approach that the Government has shown since the immediate post-1974 oil boom subsided, the financing is

also seem to have become less difficult to resolve.

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to the client. After 1976 this rule was changed so that there has been confusion in the "on demand" feature contained in the required wording of the stand-by letters of credit. The text does include a clause which allows the Government to draw against the letter at any time. This has been criticized and, indeed, abused in other Arab countries notably Libya, for various concentrations of "blank cheque". The only defence which can be advanced for the "on demand" clause is that the contract usually contains provisions which protect the contractor.

A banker with considerable experience of Saudi financing, Mr. Fakrudin Khalil, of UBAF American Bank in New York, says: "While it is essentially true that this is a blank cheque, the contractors' fears of an arbitrary drawing by the Government have been exaggerated."

The performance bond is usually where the blank cheque aspect causes most concern. It is a guarantee for an amount usually equal to 5 per cent of the contract value. It is put up by the contractor against satisfactory performance and the conventional wisdom is that it is almost never called even if things go wrong.

From the Government's point of view, capricious calling of performance bonds, which the Libyan Government is alleged to have done, would damage relationships with foreign contractors. It also means expensive and time consuming retendering. Yet in 1979 the Ministry of Communications, which is to be the guiding ministry on the Bahrain causeway, felt obliged to move on a Swiss consortium which had a \$9.3m roads contract.

It appears that the consortium's difficulties reflected Saudi inflation (though now to be in single figures), the

rise of the Swiss franc, port congestion (now said to be eliminated), and underbidding in the first place.

The contract was also to the fixed-price lump sum formula favoured by the kingdom, which rarely allows indexed, contracts or cost plus contracts, except in the oil sector where the country's principal oil producer and operating company, Aramco, is rather more flexible.

It appears that in correspondence with the bank in Saudi Arabia which issued the guarantee for the Swiss the Communications Ministry at first said the bond was being called because the Swiss still had debts in the kingdom and later declined to give any reason. The bank concerned paid out the equivalent of \$935,220 and has been trying to recover the money in Switzerland from the counter-guarantors. At the time the Swiss bond was put up the regulations permitted a ministry to ask for a 10 per cent bond. It was only the second bond ever called in the experience of the bank concerned.

Another hazard for the banker in the performance bond tangle is the question of a contractor's continuing liability after work is complete. This can extend up to 10 years which, in view of the short life span of many buildings constructed in the kingdom, has been a matter of concern. Egypt has similarly gone for this decennial liability concept.

Decennial liability essentially provides that for 10 years after completion of a structure, the contractors and consultants are jointly and individually liable for any defects and for resulting damage, regardless of fault. Insurance against such liability is only usually available for small-scale projects and the only remedy appears to be to negotiate within the contract for arrangements to circumvent it.

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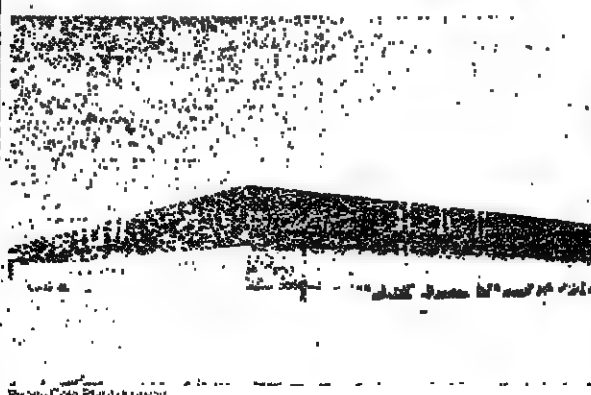
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Jim Bodgener outlines the main construction projects and the budgets available to implement them, and Anthony Davis, editor-in-chief, 'Middle East Construction', assesses the emerging competition from local contractors

## Insuring against the dry years

At the end of a decade dominated by the boom in public service construction, funded by massive hydrocarbon revenues as oil prices spiralled upwards, the jumbo project market in the oil-rich countries of the Middle East has produced a change in emphasis, from general public services to the development of an industrial base as insurance against the day when the oil starts to run dry.

Nowhere is this more clearly illustrated than in the allocations made to industry in Saudi Arabia's vast £40,500m third five-year development plan, running from 1980 to 1985, which have risen by 12.2 per cent to 37.3 per cent from the second plan, while public services allocation has dropped by 14.5 per cent to 35 per cent.

In Algeria, industrial development will take 38.6 per cent of the total envisaged spending of £44,000m in the present 1980-84 development plan, and industrial spending in Iraq, the Middle East's second largest construction market after Saudi Arabia, will total about £15,500m under the 1980-85 development plan, as against £1,460m in 1979.

Important industrial schemes are based to a large extent on hydrocarbon infrastructure, refinery, petrochemical, and oil storage, and the export of refined, rather than crude, oil.

Most schemes are joint ventures using technology supplied by Western partners, which in return often receive a guaranteed supply of gas or oil from the Middle Eastern state as part of the deal.

Much of the planned industrial spending in Saudi Arabia will go to the giant complexes planned at Jubail and Yanbu, and the past 18 months have seen the conclusion of agreements by Western multinationals for important petrochemical and metals plants with the state-owned Saudi Basic Industries Corporation (SABIC), and the past 18 months have seen the conclusion of agreements by Western multinationals for important petrochemical and metals plants with the state-owned Saudi Basic Industries Corporation (SABIC), and the past 18 months have seen the conclusion of agreements by Western multinationals for important petrochemical and metals plants with the state-owned Saudi Basic Industries Corporation (SABIC).

But despite fears by the contractors, public service construction is by no means over in the Middle East, and industrial development itself generates more building work. At Ruwais, for example, there are plans for a 1,000 homes, a 90 Mw power station, a desalination plant, and a bulk cargo terminal.

Iran, after Saudi Arabia, presents the largest public service market in the Arab world, with development expenditure of about £7,000m allocated under the £23,000m 1980 development plan. Much of this is for a massive £1,000m project at Behm, a second international airport north of Tehran, and a £220m worth of port expansion work at Umm Qasr.

Although most large-scale construction is still in the hands of Western multinationals, states now look to conserve their resources and have shelved a number of ambitious projects, including a crude oil pipeline from the Persian Gulf to the Mediterranean, and a bulk cargo terminal at Umm Qasr.

Development in Arab countries, which lack the oil money to carry out comprehensive long-term industrial development plans, will continue to rely on Western and Arab aid, loans and commercial investment.

With Egypt's balance of payments surplus this year, the country has extended its credit facilities to the International Monetary Fund, and important projects will continue to be funded from a mixture of these sources for some time to come.

Contractors bidding for a £200m water pipeline linking the Nile with Suez and the Canal Zone, for example, will have to provide all the local and hard currency costs, at 3 per cent interest over 30 years. French finance will cover the construction of the Cairo metro, and a British group including Tarmac will put up the external finance for the £280m West Nubia sugar scheme.

Coupled with remittances from expatriate workers in Saudi Arabia and the Gulf, Jordan's major development plans depend even more heavily on aid, which has increased from £125m in 1975, to £441m in 1979.

The largest public service schemes centre on the irrigation of the Jordan valley. Contractors are bidding for the construction of the £350m

Magaria dam on the Yarmouk river, and at the feasibility stage is a huge scheme to draw off water from the Euphrates river. Elsewhere in Jordan, contractors' attention is focused on the £210m first phase of Yarmouk University at Irbid near Amman.

Morocco and Tunisia also rely very much on outside Western and Arab finance, while the stakes of North and South Yemen are almost totally dependent on loans and aid, although their development projects are small in comparison with their neighbours on the Arabian peninsula.

Later Arab funding has become an important source of income for these countries, and a ready increase in funds from oil-rich neighbours to their less fortunate cousins. A more tangible development is the movement of some long-planned projects to the Arab world, particularly in the construction of a new international airport at Beirut.

Among these is the much valued £200m to £300m Beirut International Airport, which is being financed by Saudi Arabia, the Gulf States, and the Arab League. The airport is to be built on a 1,000-acre site, and will have a capacity of 10 million passengers a year.

On the other hand, political instability in the Arab world has added fresh impetus to the establishment of a defensive military capability in some Arab states. The Gulf States, Saudi Arabia, and the Arab League are providing much of the financing for this, and particularly for the construction of a new international airport at Beirut.

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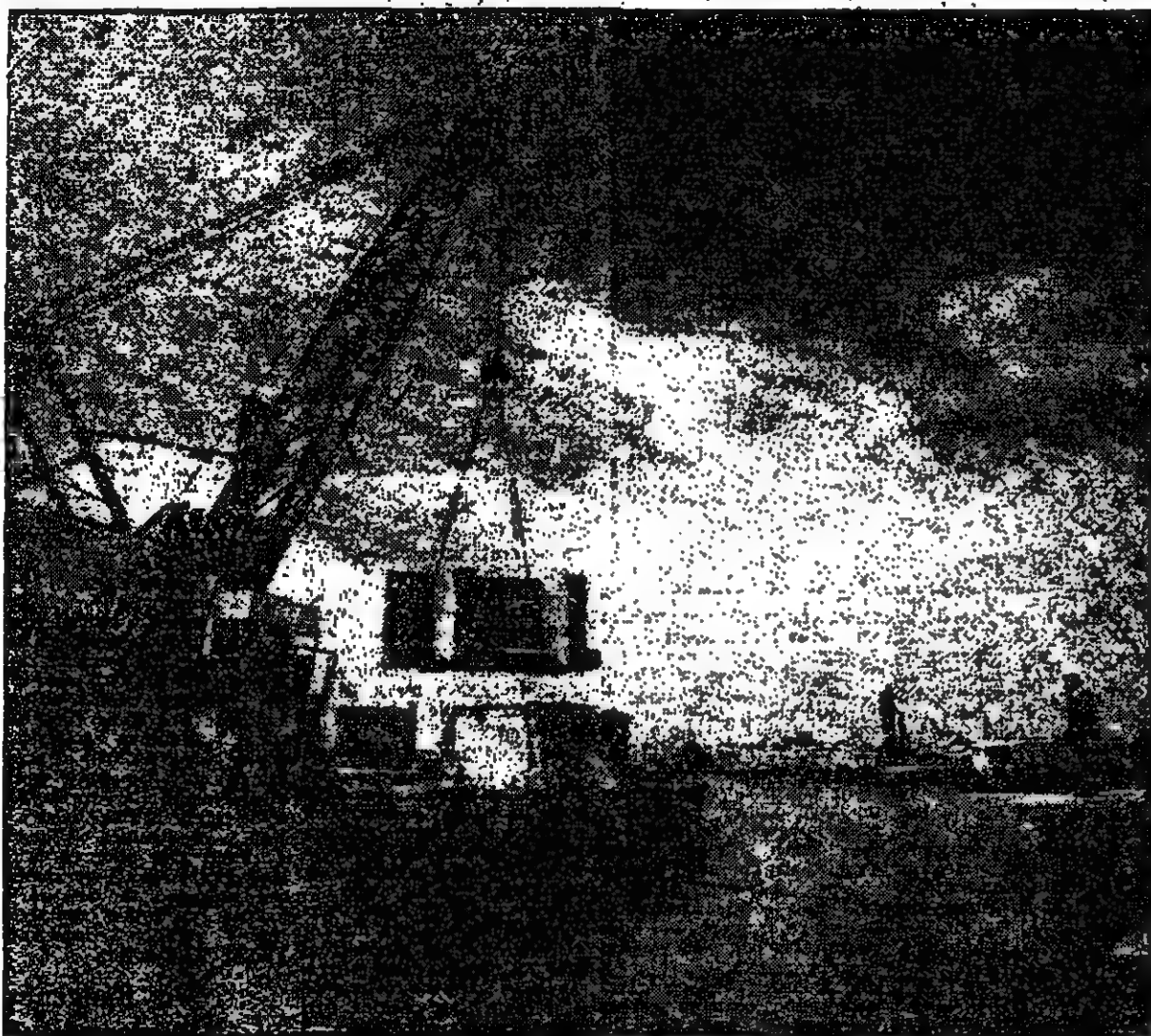
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Construction work on the quay at the port of Yanbu.

## Local contractors are being favoured

The growth and increasing competence of local contractors in the developing Arab world has added a new dimension to the construction market. The Arab world is now a more competitive market, and the local contractors are being favoured by governments.

In Saudi Arabia, Dr. Ghassan Pharaon, chairman of REDEC (Saudi Research and Development Corporation), sees a good future for Saudi companies. He also predicts that the development of the private sector will generate a great many smaller building contractors. Local industry is being encouraged by the government, and control over performance and cost is being tightened.

Among last year's more successful Saudi companies was Al-Rashed Trading & Contracting, which is building two reservoirs, a water tower and a pumping station. The company is also building a contract valued at \$165m. Earlier this year, Saudi contractors secured one of the biggest contracts so far awarded during 1980.

The consortium (Binlad, Saudi Bin-Lad, Al-Faraj, and General Agencies Company) is building the \$297m first 44km section of the 100km-wide dual carriageway Riyadh-Medina road.

But the strongest competition for the bigger contracts and those requiring more specialised skills and advanced technology continues to come from the increasingly numerous and bigger joint venture companies. Contracts awarded last year by this group included construction of a \$560m government centre in the Eastern Province by Saudi Oger (Cicconet of Saudi Arabia and Oger of France).

The 'Joint Venture' concept, which includes a \$45m contract to build concrete bridges awarded to the Saudi-Greek venture JSC-Erdol-Bitrak, and a \$217.54m contract for housing and community facilities awarded to a Saudi-Korean-Lebanese venture.

The emphasis placed on maintenance in Saudi Arabia's new five-year development plan (a concept previously disregarded in the Arab world) is likely to generate a great deal of work. As yet, there is little

indication of any trend towards the development of maintenance facilities by local contractors. The first contract for the maintenance of the Riyadh-Medina road was awarded to a Saudi company, but the contract was valued at only \$10m.

On the other hand, the maintenance of the Riyadh-Medina road is a very important project, and the Saudi government is likely to award more contracts to local contractors in the future.

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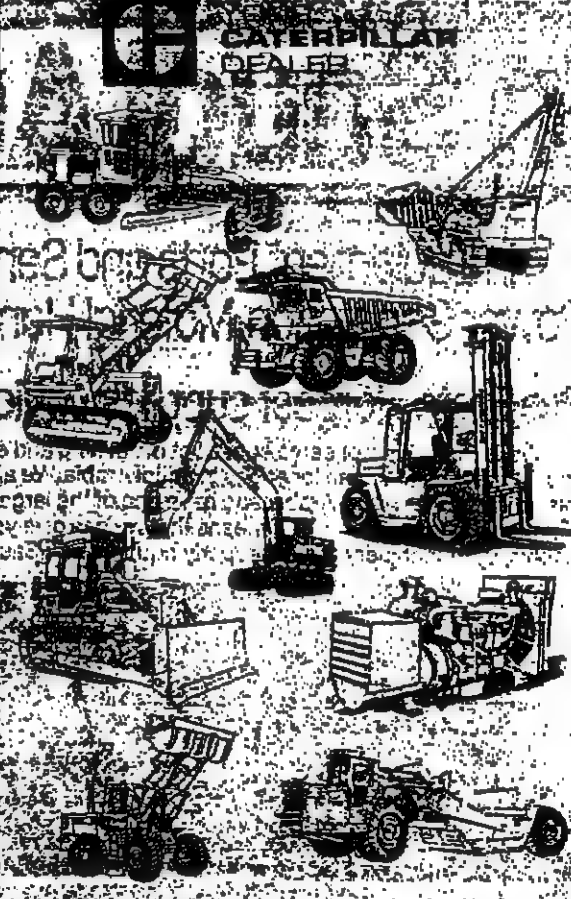
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Construction work on the quay at the port of Yanbu.

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A crane is manoeuvred alongside a building platform at the expanding part of Jubail.



Business risks grow as competition and contract demands continue to stiffen.

John Whelan, deputy editor, 'Middle East Economic Digest', examines the pitfalls from the points of view of foreign contractors and bankers

## Advance payments are big incentive

The biggest financial incentives in Arab contracting are the generous 20-30 per cent advance payments made to construction companies and consortiums operating on the big projects. The cost-free mobilization funding which they represent is one of the best financing arrangements available in the world.

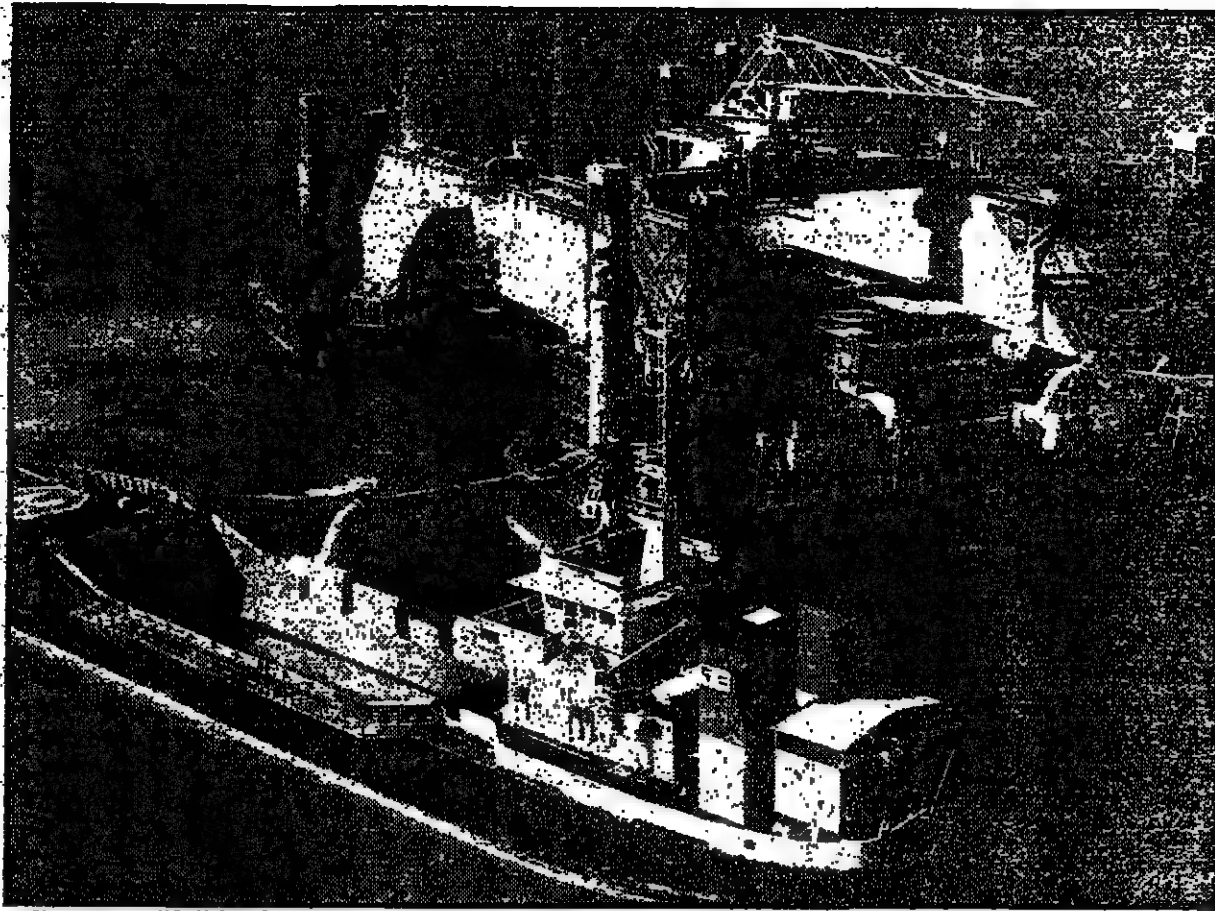
Without such an inducement it is doubtful, for example, whether the consortium which built the 66-hectare industrial harbour at Jebel Ali, outside Dubai on the Gulf coast, would have been able to invest in the equipment and machinery necessary to complete the job to a punishing schedule.

Jebel Ali Harbour was started in 1976 at a time of high levels of inflation locally. Yet even now that inflation is down to single figures in many Gulf countries, bottlenecks still remain. For example, the cost of a 100-ton container, which has been eliminated, is plaguing Iraq ports. In Saudi Arabia, too, contractors working for the United States Army Corps of Engineers recently estimated their mobilization costs on items such as worker accommodation and equipment, at nearly \$40m. As he reflected ruefully, "That was not good for our cash flow in the early stages."

When the honeymoon is over and a contractor has digested the financial advantages of the advance payment, reality often sets in. The serious problems surrounding delayed payments seem intractable and get no better as bureaucracies improve in other respects in Gulf countries.

In 1979, shortly after the Queen visited a prestige hospital in Bahrain, the contractor was forced to withdraw from the site. The Doha Government has a reputation for payment which "sometimes" is carried to extremes but in one case it took the British contractor several weeks before it could resume work and get labour back on site. Such action is rare but notional contract (FIDIC) is common for contractors, although there are a few exceptions. Some of the smaller Gulf emirates such as Sharjah owe large sums to contractors. Even in the richer states such as Saudi Arabia payments are traditionally "sequenced" towards the end of a budget period.

By this stage in Arab contracting—which started to boom after the 1974 first big round of oil price rises—the most conspicuous companies with any standard of the market allow



A dredger clearing the approach to the port at Jebel Ali.

for delayed payments. However, the question centres on the declining markets with less new work emerging each year, and how long the contractor can carry his receivables.

The underlying principle of the Arab contract law is the *sharia* and the Arabic version of a contract or agreement is usually the *hukm* which is usually the binding carried to extremes but in one case it took the British contractor several weeks before it could resume work and get labour back on site.

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tion for project work: 10 per cent performance bonds, 10 per cent retention, with 5 per cent released after partial completion of the maintenance period, and 5 per cent at the end of the maintenance period. Advance payments are less standard than in Saudi Arabia, varying from 10 to 25 per cent, but Saudi practice is followed and in Abu Dhabi a company which is more than 51 per cent locally owned will always qualify for an advance payment.

In theory grievance procedures exist in most Gulf countries. The Jiddah Grievance Board is the most formalized but contractors rarely seek redress at that level. A Jiddah-based contractor says: "Liquidated damages are not applied on the whole. It seems alien to the Arab way of doing things; usually by the time a building is opened everything has been sorted out."

An important decision for international contractors has been the move by the Saudi Government to express contracts valued at more than 300m rials (\$38.6m) in dollars or another international currency acceptable to the contractor. This has the effect

of deflating the forward market for Saudi rials, which has grown up in Bahrain, where offshore banks service the Saudi market. There may also have been benefits for the contractor.

Between 1977 and 1978, in particular, the purchasing power of the "safe and strong" Saudi rial fell considerably in relation to the Deutsche mark, guilder and yen and to a lesser extent against sterling. It was fairly stable against the dollar since the rial is tied to a basket of currencies in which the dollar has a 33 per cent weight. The unpredictable changes cost many contractors lost profits.

Now the denomination of contracts in dollars has had the result of easing the contractor's view of the change risks as well as achieving the Saudi Government's aim of preventing the internationalization of the rial. Given the lump sum, fixed-price preferences of the Saudi Government in contracts the contractor has been relieved of the burden of projecting the relationship between the rial and the currencies in which he pays his job expenses. As one contractor said: "We only have the dollar to worry about and that's enough."

What has eaten into contracting profits in the Arab world more than any of these factors has been the growth of competition. Most contractors say the yield on revenue and turnover in Saudi Arabia—the biggest market—is running at between 5 per cent and 15 per cent. The Korean and Asian contractors will undoubtedly settle for less.

Some recent pricing by Korean contractors anxious to maintain full order books is described as "suicidal". There is also a growing tendency to negotiate after the opening of bids, which is a reflection of the growing competence of civil servants, but has had the effect of making margins even tighter.

Given these factors what is the outlook? From the contractor's viewpoint, the market has become more rational but competition has increased. The imponderables are those which the contractor is unable to control: political risk, payments delays and, most of all, growing competence in government ministries and agencies leading to tougher supervision of the contractor and cost consciousness on behalf of the client.

## The financial giants' causeway

The array of more than 40 bids submitted for the \$800m Saudi Arabia-Bahrain causeway at the end of June triggered chain reactions in many of the big international banks involved in the Middle East. Once the engineers have finished costing up one of the dozen or so mega-projects which emerge each year in the Gulf, bankers take the stage.

By November, when a decision can be expected on the causeway offer, the key financing issues will have been decided. Later, when the prime contractors appear in the financial press with the participating banks arranged in a neat pecking order, it will be possible to guess at what went on behind the scenes in London, Frankfurt and Tokyo.

The Saudi-Bahrain cause-

way, although it has gripped the contracting world's imagination and set off a heated debate about the merits of steel configurations as opposed to concrete, is dwarfed by some of the other projects being undertaken in the kingdom. In 1979 Saudi Arabia was the most popular Middle East market, attracting 53 per cent of the free world's 200 leading contractors. The Saudi approach to contract finance is a yardstick for other Gulf countries and has a persuasive influence elsewhere.

The Saudi Government's regulations on bid bonds, performance guarantees and advance payment guarantees no longer rouse the fears which they used to engender for many bankers. With the generally more rational approach that the Government has shown since the immediate post-1974 oil boom subsided, the financing is

also seen to have become less difficult to resolve. One reason is the growing familiarity that the international banks are developing with the market. Another is their penetration of the Gulf and Saudi Arabia.

Bahrain as an offshore centre is a haven for more than 70 banks. About a dozen international banks are known to have unofficial representative offices in the kingdom.

These are discreet presences since generally speaking the Saudi Arabian Monetary Agency (SAMA) is reluctant to allow official representative offices. This is part of an attempt to stop the internationalization of the Saudi rial. Pioneering work was done by a number of banks in educating contractors about foreign exchange risks in contracting, to which process the Bank of America made a significant contribution.

To ease this burden on the two wholly owned Saudi banks SAMA has issued a list of 100 banks around the world whose status as letters of credit provided they are confirmed by a Saudi bank which will charge a confirmation commission of about 1 per cent a quarter, payable quarterly in advance, which has the effect of doubling the cost of the guarantee at the Saudi end.

The Saudi Government once required that the letter of guarantee be issued by a Saudi bank. Before it would do so, the Saudi bank would require that the foreign bank issue a standby letter of credit in its favour to back up its own guarantee

to the client. After 1976 this rule was changed so that there has been confusion in the "on demand" feature contained in the required wording of the stand-by letters of credit. The text does include a clause which allows the Government to draw against the letter at any time. This has been criticized and, indeed, abused in other Arab countries notably Libya, for various concentrations of "blank cheque".

The only defence which can be advanced for the "on demand" clause is that the contract usually contains provisions which protect the contractor. A banker with considerable experience of Saudi financing, Mr. Fakrudin Khalil, of UBAF American Bank in New York, says: "While it is essentially true that this is a blank cheque, the contractors' fears of an arbitrary drawing by the Government have been exaggerated."

The performance bond is usually where the blank cheque aspect causes most concern. It is a guarantee for an amount usually equal to 5 per cent of the contract value. It is put up by the contractor against satisfactory performance and the conventional wisdom is that it is almost never called even if things go wrong.

From the Government's point of view, capricious calling of performance bonds, which the Libyan Government is alleged to have done, would damage relationships with foreign contractors. It also means expensive and time consuming retendering. Yet in 1979 the Ministry of Communications, which is to be the guiding ministry on the Bahrain causeway, felt obliged to move on a Swiss consortium which had a \$9.3m roads contract.

It appears that the consortium's difficulties reflected Saudi inflation (though now to be in single figures), the

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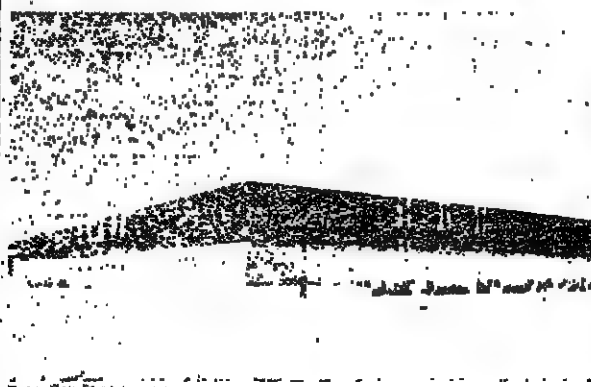
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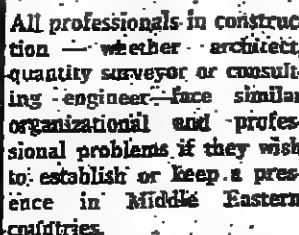
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consultancy services have not always given complete satisfaction. At the recent FIDIC (International Federation of Consulting Engineers) meeting in San Francisco, Dr Rasoul Istrabadi, of the Abu Dhabi Fund for Economic Development, said:

"Everyone is aware that developing countries and lending institutions are dependent on foreign consultants and will remain so for a long time. In the Middle East the consultants had, and still have, a big

role and tremendous impact. It is true that many of them helped to develop these countries and are honest and sincere to their client, but this was not always the case. This does not mean that the others were dishonest for purpose, but I can frankly say that they were not capable of handling many projects in the area of planning, and particularly in long-range planning. Many consultants were not up to a high standard in their performance.

"Look at any city in the

## A high-contrast, black and white photograph. On the left, a man in a dark suit stands next to a dark-colored car. The car is mostly in shadow, with some highlights on its wheels and body panels. The background is dark and textured, possibly a wall or a large window at night. The overall mood is somber and mysterious.

financial year 1979-80 when results are announced next month. The contractors have the difficult task of expanding into Saudi Arabia—by far the largest market—and into Algeria and Iraq, which have ambitious development plans.

The Koreans, are tackling the problem by seeking joint venture contracts. The Korean Overseas Construction Corporation is touring European countries seeking such joint ventures for the Middle East.

Perhaps such schemes are the most likely to succeed in the new phase of development in the Arab world.

**Tony Sutton**  
news editor,  
*Construction News*

The cost consciousness which is gripping Arab ministries and government agencies in dealing with foreign contractors is long overdue. In the period immediately after 1974, when oil revenues provided a vast range of spending for expensive services, the role of the cost consultant was too often ignored. Now that most countries have embarked on a second phase of development, many of the lessons of the past have been digested.

A good example of the new atmosphere on the Arab market is afforded by the four months of negotiations between the Saudi Saline Water Conversion Corporation, which supervises desalination schemes, and a low-bidding consortium headed by Mannesmann of West Germany, for the E\$250 Jubail-Riyadh water pipeline. The four months of talks resulted in the consortium reducing its price by 25 percent. The corporation had two months before the contract award in July, barred four leading international contractors from bidding on another project, and then announced that they had "discovered" inflated prices.

Low prices, particularly by South Korean contractors, have been responsible for some of the gloom which has gripped the market recently. Bids for a prisons project in the UAE this year came in at 10 per cent below the estimate made for the client by the cost consultant. It was a case of contractors desperate to stay in the market discounting to the extent of being prepared to take a "loss" on the project. The situation. In this sort of environment, some of the big name contractors of the early 1970s have cut back their operations or effectively retired from the market by leaving behind a small, lowly capitalised, just venture with a local contractor to carry on tendering.

Low prices, including that offered by a South Korean company for the construction of one of a headquarters for the Defence and Aviation Ministry in Riyadh, which has been described as "suicidal", are one side of an equation. To the cost consultant-advising a client, they represent another. Most consultants agree that recent developments, particularly in the rich oil-producing states, make lower tenders feasible. Single figure inflation is now common in the Gulf states and Saudi Arabia; cheap labour is available on

long contracts from the Far East; price stability exists on local purchases, with many contractors able to take advantage of subsidized inputs such as cement and reinforced bar; construction equipment has improved and a good secondhand market exists; there are reasonably modern work camps and other support facilities available.

The cost of construction has if anything come down during 1978-80. In most of the big markets, cost consultants are having to allow for the fact that many of the oil-producing states have successfully invested in downstream industry and have achieved self-sufficiency in many construction materials. The widely criticized spending on cement factories in the GCC has been eliminated, the need for imported cement

In Qatar the Qasir Steel Company is manufacturing enough reinforced bars to satisfy the local market as well as a significant proportion of the Saudi demand as well. Even Ras al Khaymah, at the eastern end of the Gulf, has contributed to lowering construction costs with some investment in aggregate quarries, cement plants and lime factory which has found an export market in countries as distant as Kuwait and Iran.

Construction costs per room for hotels in Dubai are estimated at between 150,000 dirhams (£17,441) a sq metre, for low quality, to 375,000 dirhams (£43,604) a sq metre for high quality. D. G. Jones and Partners, the British quantity surveyors and cost consultants, estimate hospital construction at about 650,000 dirhams (£75,581) a room, and banks at about 4,500 dirhams (£523) a sq metre. Residential and commercial buildings can come out at as little as 1,100 dirhams (£127) a sq metre.

Cost consultants, particularly from Britain, have established an enviable reputation in markets where British quality has long been accepted as the standard for the construction industry. Lately there has been a trend towards government agencies, particularly the military, acting as their own consultants. In general, British consultants have survived, even in difficult markets, because of their reputation for straightforward dealing.

## John Whelan

## A high-contrast, black and white image showing a close-up of a textured surface, possibly a fingerprint or a similar pattern. The image is characterized by numerous fine, dark, wavy lines that create a complex, organic texture. In the upper right corner, there is a dark, irregular shape that appears to be a shadow or a different material. The overall image has a grainy, high-contrast quality, typical of a photocopy or a low-quality scan.

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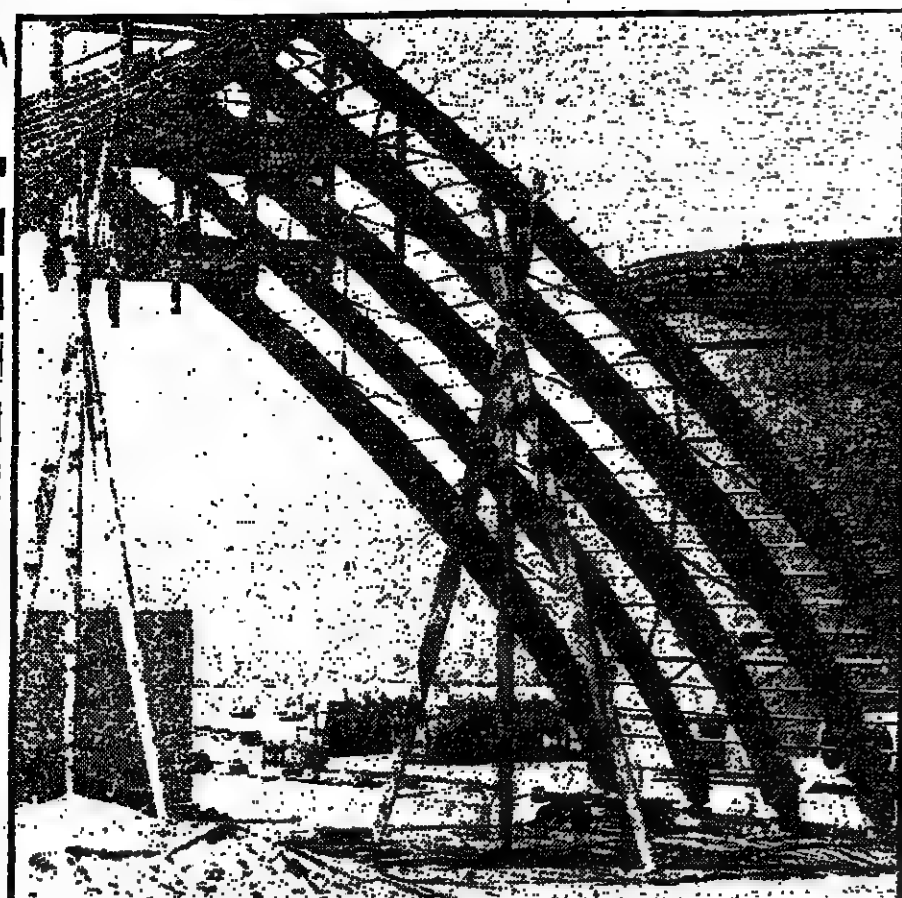
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ARAB CONSTRUCTION

Some of the projects planned or under construction will revolutionize the economic and sociological climates of the regions they are intended to benefit. Anthony Davis examines four



Construction at an Aqaba fertilizer plant.

### Aqaba, Jordan

Jordan's Aqaba region, on the Red Sea, has considerable development potential. As Jordan's only port, it has grown and its traffic has greatly increased through the general economic progress of the Middle East region.

The recent Iraq-Jordan cooperation agreements include, among joint projects, a railway between Aqaba and the Iraq city of Amman, further expansion of the port facilities and construction of a road network linking the port with southern and central Iraq. It is hoped that the mixture of Jordanian free enterprise and Iraqi socialism in these projects will bring mutually beneficial results.

The Aqaba region is arid and sparsely populated. Mineral resources include copper, manganese, glass-making sands and feldspar. But the chief resource is the Gulf of Aqaba itself—an outlet for waterborne traffic and a tourist attraction because of its climate and spectacular coastline.

The primary importance of the region as a site for future development stems from its transport routes for carrying goods to the port and it is a logical site for development of plant for processing of raw materials and for manufacturing.

A consultants' study, commissioned by the Jordanian Government and the World Bank, has reviewed a range of possible activities that may be promoted. The consultants, Dar Al-Handasah, with Tippetts-Abbett-McCarthy-Stratton, made a number of recommendations.

The pattern of development which has emerged from their plan is primarily concerned with three areas of economic activity—the manufacture of phosphate fertilizers, the port of Aqaba (including the Free Trade Zone to function primarily as a transit zone), and the tourist industry.

Aqaba and the south coast have been planned as a single urban entity: urban Aqaba includes the tourist area lying west of the town, and the south coast incorporates the main tourist development.

Starting about 1982, a satellite community with a population of about 14,000 will be provided by 1990 in house employees in the tourist area and in the heavy industrial zone.

The south coast area has been planned to take tourist accommodation over 18 km eight kilometre stretch to be developed in three phases. It will consist of clusters of activities linked by less intensive uses along the shoreline. It is expected that the initial development will be fairly small in scale and that major growth will occur in the mid-1980s.

The heavy industrial zone for the 325m chemical fertilizer plant and other possible uses is separated from the tourist areas by topographic features along the coast and surrounding valleys and hills. The Jordanian Government, in its own right and through the Jordan Phosphate Mines Company, has a 51 per cent share in the Jordan Fertilizer Industries company that will operate the fertilizer plant when it is completed in 1981.

In the tourism sector, most hotel-building is undertaken by the private sector, with government taking a minority share in some of the large schemes. A Canadian firm has studied a large inland lagoon water sports and leisure complex as part of a \$25m project.

As for agriculture in the region, studies revealed that such development in the Qawra-Qa Disi area would not adequately support even the existing population.

But in the Disi-Kam area, villages are proposed for development to guide the growth of the agricultural settlements springing up in response to the irrigation scheme in the Disi.

British consultants Rendel, Palmer and Tritton recently handed in their detailed feasibility study on the Aqaba container port project, which is expected to come into service early in 1982. It is understood that the port will be sited about three kilometres south of the main port on the Red Sea will be invited later this year. Joint ventures between local contractors and foreign contractors will be favoured.

Work on the 500m expansion project at Aqaba port's general cargo wharf (apart

### Kassioh, Syria

Proposals for urban development around Mount Kassioh, north-west of Damascus, have been made after pressure had been exerted for the provision of new housing to absorb some of the Syrian capital's expanding population. Proximity to central Damascus and opportunities for exploiting the mountain for recreation and tourism inspired the Government of Syria and the municipality of Damascus to commission Britain's Shankland Cox Partnerships to study an area of 26 sq km bounded by the ridge of Mount Kassioh and the parallel ridge of Dabab el Khenzeir. Including the Barada Valley and the Wadi el Kih.

Shankland Cox prepared a structural study and detailed plans providing suitable housing for 100,000 people—equal to about two and a half years' growth in the population of the city of Damascus, which is a cross section of the capital's population. The plan also includes suitable social facilities and appropriate opportunities for exploiting natural resources for recreation and tourism.

The main features of the master plan include two areas of urban development, a small village and a residential district.

Provision will be made for housing of different income groups to ensure that there is a balanced community structure. High income families will be accommodated in low density zones of 25 dwellings per hectare in the form of villas and luxury flats to be built by private enterprise. Middle income areas will be developed at 45 dwellings per hectare in the form of terraced flats, maisonettes and houses built mainly by co-operative societies. Lower income areas will be built at an average of 65 dwellings per hectare in the form of blocks of flats with communal outdoor spaces.

A wide range of shops, services and public amenities will be located in streets extending through the urban areas. Most of the social and community facilities, such as schools and clinics, are close to the urban areas, integrated with commercial development to provide easy access for the whole population.

The plans provide about 10,000 job opportunities—26 per cent in the district centre and 46 per cent throughout the urban areas, concentrated along the commercial streets. The consultants also propose that Mount Kassioh be linked by cable car to Damascus city centre via the tourist village.

Provision for recreation includes small local parks, large parks and sports areas for the residents of Kassioh and general facilities for the whole of the Damascus population. The latter will include a botanical garden and a zoo in the Barada Valley, and landscaping of the mountain top and a tourist complex on the mountain ridge at Avab el Kih is also proposed.

Syria's population is growing by about 3.3 per cent a year and pressure on schools and hospitals is increasing. State investment to deal with these problems has been increased, and the new five-year development plan (1981 to 1985) now in its final stages in preparation, is committed to encouraging greater private investment in new industrial and related projects.

But while urban expansion projects like Kassioh fulfil relatively short-term requirements, they are only part of wider regional policies for Syria's economic growth. Their aim will be to reduce the situation of Damascus by spreading new large employment projects over other centres throughout the country.

Meanwhile, the Damascus population growth rate grows at an annual rate of about 4.5 per cent and, in addition to the Kassioh development, progress is being made to modernize the city itself and to provide new housing, social and work opportunities. Plans are also in hand to coordinate expansion of Doumar, Maarat and Tel.

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### Kenana, Sudan

One of the largest irrigation developments in Sudan, the Kenana Sugar Project, will bring an area of 51,400 hectares of the White Nile River, 200 km south of Khartoum, into sugar production. The area covered is comparable in size to London within the green belt and will probably be the largest sugar plantation in the world.

The consulting engineer for the project is Howard Humphreys and Sons, of the United Kingdom. Britain's Shankland Cox Partnerships are the planning and architectural consultants.

Such a massive project has carefully to be broken down into manageable areas. The arrangement of canals and resultant pattern of agriculture, therefore, provides a clear organizational framework. This is related to zones of the various irrigation water regulators and the management areas for the plantation.

This in turn is reflected in the administrative system set up by the Kenana Sugar Company. The plantation is divided into five agricultural management areas, each with its own separate administrative staff and technical facilities.

The main objective for the agricultural management areas has been setting up settlements which give equitable access to a range of organizational and basic services facilities. Each farm village has a support mini-mum basic services, such as water supply, health centres and schools. Two central farm villages have been developed for each agricultural area, one of which acts as the administrative headquarters, with workshops, water treatment plant and housing for senior staff. Related to the central farm villages are small satellite settlements which are located in relation to the agricultural management of sugar cane production areas. Each small village accommodates 50 households extended over an area of about 6.5 hectares.

This plan forms a system of interdependent settlements that can support themselves, relate to management areas and to the general planning of the project and the likely settling of a large number of immigrant workers. A township, situated on the south-west part of the site, is provided to accommodate the needs of the labour force for the seed and factory. The maximum distance for walking has been maintained as two kilometres from dwelling to place of work.

The total population estimated for the early 1990s, when the project is expected to be in operation, is 40,000. By 1990, this is expected to increase to 50,800, and by the end of the century there are likely to be 65,000 people living within the project boundaries.

Such is the pace of development in this region of Sudan that experts estimate a population of between 105,000 and 120,000 people in urban settlement generated by the Kenana Sugar Project and other agricultural developments in its immediate hinterland.

In addition, an estimated 40,000 people will inhabit the rural villages of the area. Collectively, therefore, the total population attracted to the area in such a relatively short time is likely to have considerable impact on existing resources—particularly such services as education, health and transport.

### Subiya, Kuwait

During the past 25 years continuing development and urban growth have more than doubled the urban area of Kuwait. Indications are that this pattern will continue and that similar development will be necessary during the next 25 years.

Kuwait covers an area of 17,818 sq km of flat featureless desert, including the Subiya and Warba islands. The population at the 1975 census was 281,000. By 1985 it is expected to exceed 1,500,000. This unusually fast growth rate is the result of a combination of natural increase and high levels of immigration. During 1975 to 1978, Kuwaitis as a proportion of the total population, declined from 56.6 per cent to 47.6 per cent.

From the mid-1980s, at least part of the population growth is expected to be accommodated in new areas. A report prepared by Shankland Cox Partnerships and Salem al Marzuqi and Sobah al Hanna emphasizes the need to identify and initiate development in the new growth areas at an early date to absorb the expected overspill population and to accommodate subsequent further growth in the 1990s.

The consultants' report examined a number of alternatives for long-term development and chose finally the self-contained town concept, planned in a dispersed pattern at a distance from Kuwait City to be self sufficient in services and employment opportunities. The consultants advised that such a strategy would allow well designed, high standard urban environments and provide relief to overcrowding and congestion in Kuwait City itself. In addition, it is argued, such new towns will achieve more even distribution of population and employment throughout the emirate of Kuwait.

Of the two sites eventually recommended (Khor al Mufatra, 90 km south of Kuwait City, and Subiya Point, 80 km by road from the city), the coastal location of Subiya was chosen for an overall population target of 300,000. Two factors were influential in the final choice—land potential and current commitments and proposals. And from this analysis it was concluded that the site of Subiya was more attractive and presented better opportunities for development.

The total designated area for the new city is 20,000 hectares, of which about 14,000 will be required for the urban area and associated open space. The remainder will provide for growth and for extensive recreation uses along the south and east coasts.

These proposals for the new city of Subiya come at a time in the development of Kuwait when it both needs, and can provide, an important step forward in its environmental development. The structure of the new city, therefore, takes advantage of outstanding features of the site: overlooking Kuwait Bay to the south, and the Subiya Channel to the east. A fundamental reason for its choice is Subiya Point's physical character: the ridge across the bay to Kuwait City, coastal lands around three sides, and gently sloping land bearing land punctuated by wadi depressions and local knolls.

It is a unique site, and one that can be greatly enhanced by careful tree planting and landscaping—conceived as an important element of the development process and complete separation of land uses, and therefore reduced distances between residential areas, places of employment, leisure and education. Freedom of choice for a number of locations is given in the plan for those who wish to live in the road network in Kuwait City. The plan adopted for the new city is a dispersed alignment, but essentially linear. The various levels of security have been distributed throughout the plan but their distribution has been related to the appropriate level of accessibility provided by the transport network from pedestrian and cycle routes to important routes and public transport routes. The plan adopted for Subiya tries to avoid the development process and complete separation of land uses, and therefore reduced distances between residential areas, places of employment, leisure and education. Freedom of choice for a number of locations is given in the plan for those who wish to live in the road network in Kuwait City. The

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Traffic flowing at a street junction in Kuwait.

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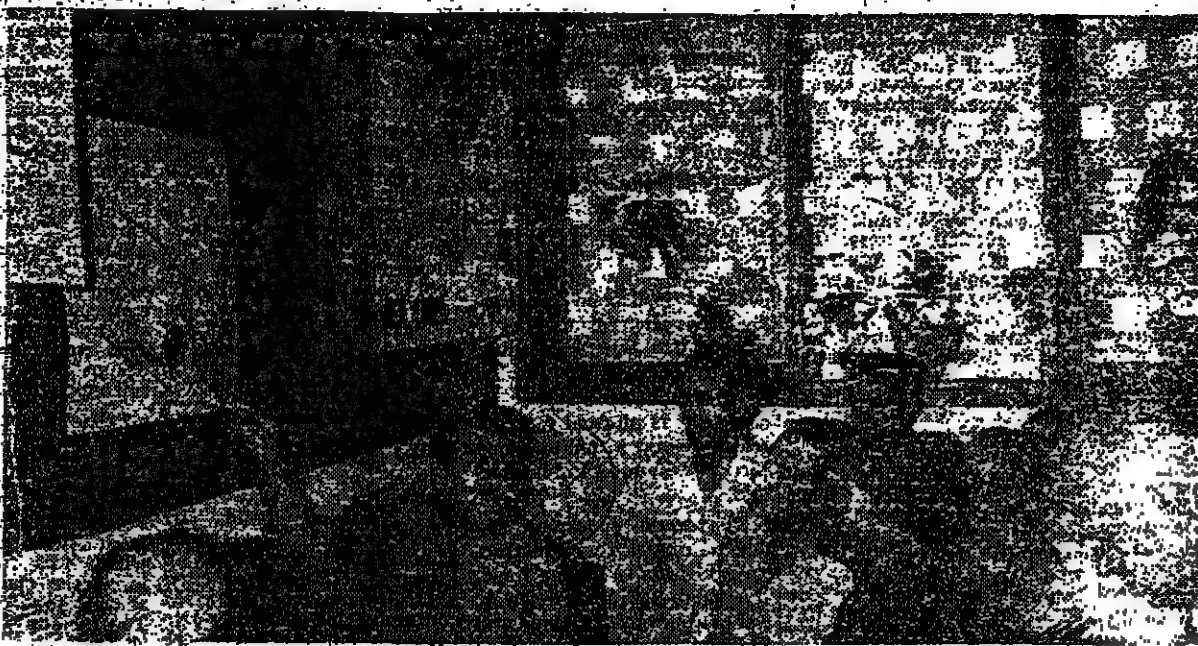


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# RECONSTRUCTION AND STATE FOR HOUSING AND LAND RECLAMATION

## DEVELOPMENT OF NEW COMMUNITIES IN EGYPT

### "OPPORTUNITIES FOR INVESTMENT AND JOINT COOPERATION"



President Sadat and Vice-President Hosni Mubarak are listening to the explanation of Engineer Hassab Allah El-Khatib, Minister of Housing and Construction and land reclamation about the planning of the new cities.

#### I. The National Urban Development - Context - Problems - Facing Development

Egypt's population is estimated to have reached only 24 million at the beginning of the 19th century. Since then, it has roughly quadrupled twice, once during the 19th century and again during the last 75 years.

Population is estimated to reach some 66 million by the year 2000. Depending on different sets of assumptions, however, the projected population by the end of the century would range between a low of 65 million and a high of 70 million. The impact of rapid population growth on economic development in Egypt, as well as other similar developing nations, is a serious problem.

Egypt's situation may be more acute in view of the largely inelastic supply of cultivated land and the long absence of resource planning, areas of potential studies and resources discovery for new human settlements.

These limitations have resulted in a serious rise in population densities in the Nile Valley and the Delta (from 85 persons per hectare in 1960 to some 1,042 in 1975). In fact, Egypt is one of the most densely settled countries in the world.

Population growth in the rural areas, which the agrarian sector cannot absorb, created an imbalance between population and land, resulting in a massive migration to urban areas. The outflow from rural to urban areas has become worse by diminishing land holdings.

As a result, the urban component of the population has witnessed a more rapid increase than the total population, estimated to reach about 44% today. Currently, the average annual rate of urban population growth is over 4%. This trend toward a higher degree of urbanization, which is common in most developing countries, is likely to continue at a faster pace in the future. However, if this trend is not checked, a congested urban population, extreme shortages in the supply of housing and other basic urban facilities, will result in serious economic and social problems which is certainly unacceptable. Therefore, the Ministry of Development and New Communities is committed from economic, social and physical policies point of view to the concept of proper

infrastructure of an urban centre with efforts to create an economic base and industrialize the national economy.

The Central Agency for Public Mobilization and Statistics.

#### II. The System of Cities - Present Trends

The past forces influencing the shape of and leading to the stages of development of the Egyptian system of cities indicate a greater degree of primacy or skewed distribution of urban population in favour of Cairo and Alexandria. The share of these two areas of the urban population has steadily increased from 53% in 1950 to 69% in 1975. It is interesting to note that this trend of urban concentration in Cairo city has been partially at the expense of smaller cities and towns, the latter mostly located in the core of agricultural land and the Delta. However, it has also resulted in hierarchical imbalances in the present urban system in the nation, which is not acceptable economically, socially or politically. These qualities of urban spatial distribution are by no means unique of Egypt only, but are they particularly abnormal for its stage of socio-economic development. Indeed they are common spatial features of the early stages of development and moving from an agrarian or dual economy into a more diversified and industrial national economic structure.

#### III. Toward Comprehensive National Urban Development Policies, Plans and Programmes

With the full awareness of the Government of Egypt, the above problems and conditions of urban and regional development problems facing Egypt today, the Ministry of Development and New Communities in coordination with other Government and private agencies, is currently formulating long, medium and short term, urban and regional development policies, plans and programmes addressed to:

- (a) Narrowing the gap between rural and urban areas in all fields in order to offset the negative effects of internal migration.
- (b) Developing a system of small and medium sized towns and cities in order that the spatial distribution of the population provides better making opportunities and efficient system of labour mobility

and hence, new sources of employment.

(c) Changing the urban hierarchy at the country and regional levels by influencing the destination choices of rural out migration. This is very true in the case of Egypt where—as mentioned earlier—the present system of cities in the country is not based on population rank in economic functional sizes. Indeed, it is characterized by an imbalanced embryonic structure easy to mould if properly planned.

(d) Connecting urbanization with industrialization and agro-industrial base. These elements and/or variables are connected if structural transformation referred to earlier has to come about—especially when we consider that urbanization is a powerful instrument of social change. However, we recognize that the force of this instrument is a function not merely of the degree of urbanization (i.e. the proportion of urban population, however defined to total population), but also of its structure (the orderly hierarchy of and the size distribution between cities).

It is an appropriate time to emphasize the serious social implication of urbanization without the prerequisites of an adequate investment towards a well developed urban hierarchical system to tackle the present development conditions and problems.

This is particularly true where new movement of religious orthodoxy and fundamentalism poses a clear and present danger to the fabric of many countries and societies in the region.

#### IV. Major Programmes and Projects of the Ministry Currently Implemented within the National Plan Framework

1. New Towns and National Policy As stated earlier redistribution of population is already an accepted government policy. New towns are recognized as an important link in such policy and recent government actions testify to such recognition. In 1973 the Greater Cairo Planning Commission which, at that time, was the largest and best organized urban planning agency in the country was transformed into a general organization responsible for urban and regional planning in the country as a whole.

In 1977 a proposal was submitted to the People's Assembly calling for the establishment of an Organization for the Development of New Towns. The proposal stressed the significance that the government attaches to the role of new towns in the economic and social development of the country. In the fall of 1978 a new ministry was established and charged with the responsibility for the planning and development of new communities. The Ministry of Development and New Communities took over from the Ministry of Housing the responsibility for the General Organization for Physical Planning and assumed all the duties and authorities of the proposed Organization for the Development of New Towns. To enable it to perform its functions in an efficient and expeditious manner the Ministry was freed from many of the red tape and routine bureaucratic restrictions especially in its dealings with local and foreign experts needed for the planning of new towns.

In summary, it is obvious that during the last six years government has placed a considerable emphasis on the development of administrative structure capable of handling the complicated task of assembling talent and resources for the successful development of New Towns in Egypt. But the real test of government's commitment to New Towns lies in the ambitious programme it established following the October War of 1973. As should be expected, the liberation of the eastern bank of the Suez Canal shifted the emphasis in building and planning from the congested Cairo Region to the partially or fully destroyed and vacated cities on the western side of the Canal. The three cities of Suez, Ismailia and Port-Said were treated as such. As work progressed on the reconstruction of these cities and as life in them began to return to its normal pattern, emphasis began to shift towards the problem of overcrowding in the Cairo Area and the rest of the Nile Valley. To address this problem New Towns, Sadat City and the Tenth of Ramadan were initiated as a first step in the direction of moving urban development towards the desert regions. The two towns were located halfway between Cairo on one hand and Alexandria and Ismailia on the other. Both sites were easily accessible and were judged suitable for the location of new industries thus ensuring their economic viability.

In subsequent years two more towns were planned. Al Ameriyah El-Gedida south west of Alexandria and the Fifteenth of May to the east of the industrial suburb of Helwan. While the latter is only planned as a 150,000 persons industrial workers town, it is significant because it emphasizes government's interest in channeling future urban growth towards newly planned communities. The four new towns are planned to accommodate a total population of 1.65 million persons by the year 2000. This represents less than 10 per cent of the population for which new towns are to be built if the recommendations of the National five year plan are to be carried out. Later, a fifth town, 6th of October was launched. This city lies on El Wadi Road from El Fayoum Road about 32km west from Cairo with a target population of 350,000. Major economic activities for this city shown in Table 1 are those of tourism, light and medium industry and residential.

In other words these five towns are only the beginning of what could be one of the largest new towns programmes since the inception of the British New Towns policy in the late 1940s. The cur-

rent proposal for three new towns in the Cairo Region is, therefore, another milestone in the road towards making such a programme a reality. It also affirms government's commitment to the success and continuity of the new towns policy initiated in the early seventies.

The plans prepared for the first five towns reflect another important government policy. As table 1 indicates these towns are planned as industrial and tourism communities. One is designed to house already existing industrial labour force and the other three call for industrial employment to reach as high as 40% of the total labour force. In other words four of these new towns are geared to the need of the growing blue collar class rather than professional and white collar classes that dominated earlier new settlements in the Cairo Region. Indeed this is an appropriate recognition of the realities of future trends in population growth and characteristics.

The plans as approved by the Ministry enforce a commitment to bring about some basic changes in the structure of new urban communities. These changes are reflected in lower population densities varying from 35 persons per acre in the October 6th to 65 persons per acre in the Fifteenth of May. These compare with an average density of 100 persons per acre in the built up areas of the Greater Cairo Region. Net residential densities were equally low in the four large new towns and were rather high in the Tenth of Ramadan only because the difficult nature of the site dictated such increase. Another important aspect is the large area devoted to recreation and open spaces which varied from 10 per cent in the Tenth of Ramadan to 18 per cent in the Fifteenth of May. In other words it could be successfully argued that one of the basic objectives of the government's new town policy is the reduction in the level of crowding currently prevailing in Egyptian cities and towns, as well as the creation of communities with healthier physical environments. Another important aspect of government policy is the emphasis placed on the redistribution of economic activities. The first new towns were planned as industrial communities with the understanding that they will grow into powerful magnets for economic activities. This was to be attained through a combination of factors based on direct government actions requiring new firms to locate in New Towns and improvement of the quality of the new urban environment to serve as an attraction for industrial investors. The latter is an important consideration since it is obvious, from the investment allocations of the 1978-1982 five year plan, that government expects the private sector to play the dominant role in the industrialization of new towns (Table 2).

In general, experience in the development of the Tenth of Ramadan and Sadat City suggests that government places higher priorities on the development of the economic base and industrial infrastructure of the new towns. This is intended to enhance their attractiveness for non-commuting

population. This also reflects the serious commitment of the government to ensure the success of the new urban development programme. As a result it is safe to conclude that new towns are viewed by the central government as an important tool or vehicle through which many of the national goals could be attained. These goals could be summarized into three broad objectives.

1. Solve the problems of the housing market.
  2. Reduce the level of overcrowding in the currently inhabited area 14% of the country and establish a new urban environment based on better standards and concepts.
  3. Protect agricultural lands.
2. Integrated Regional Development Programmes
- a) In 1976 the Regional Plan for the North Western Coast was prepared and it indicated a big potentiality for development. Accordingly, the Ministry prepared a sub-regional Urban Plan for the Development of the Area between km 34 and km 100 west of Alexandria.
  - b) The Government intends to release 10,000 Hectares of an Arable Land for an integrated Agricultural Development. This Area is situated in Wadi Markut, High Dam Lake Region, Aswan Governorate. It lies to the west of Aswan—at about (35-40) km.
  3. Harbours Development within a Regional Context.

Based on a recently conducted development policy study for the Ports of Egypt, in which transportation cost cut-lays of the Egyptian economy were minimized, a new major port should be developed at Damietta, planned with a capacity reaching 5.6 million tons by year 1985 and 16.5 million tons by the end of the century. The new port located at Damietta is an integral component of Egypt's plans for economic and social progress, with repercussions spanning a broad range of economic, international trade, inland transport, industrial development, urban renewal and the creation of new communities.

Conclusion  
These projects and programmes currently being implemented need an atmosphere of international cooperation. There are many mutually profitable investment opportunities for the private investor in the programmes and projects of the Ministry. These profitable opportunities have to be evaluated from two aspects. First, the economic and social aspect and second from the long, medium and short terms horizon. The Ministry welcomes international and private foreign investment to participate in cooperation with the Egyptian public and private corporations.

In that respect the People's Assembly "Parliament of Egypt" passed last year a new Law empowering the government to offer the most favourable development conditions and concessions for building and developing new communities in Egypt.

Urban Centres in Egypt

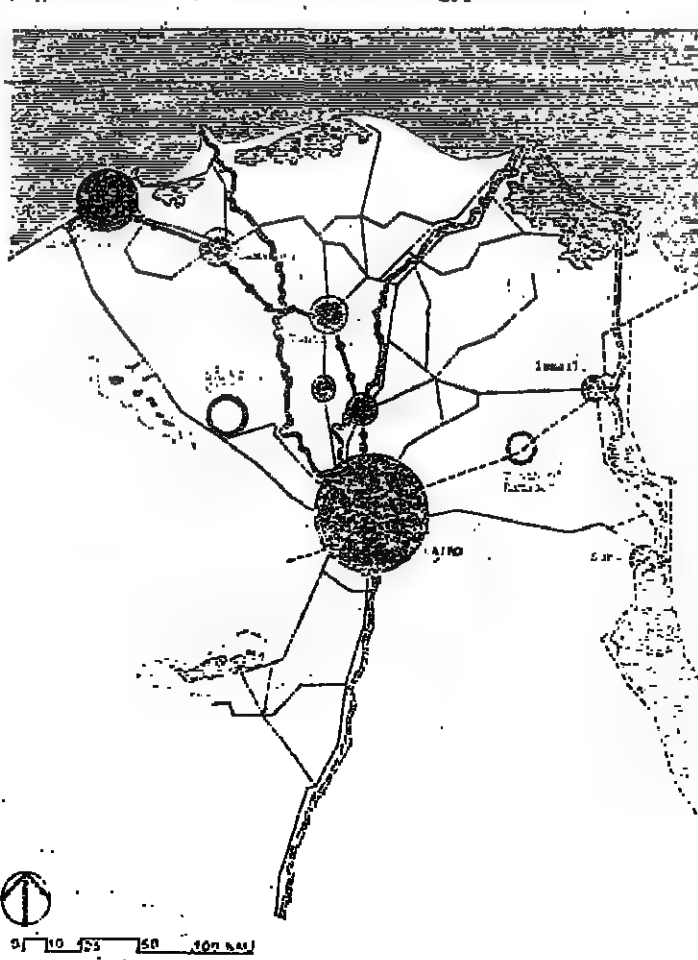


Table 1 New Towns - Comparative Analysis					
	Sadat	Ramadan	Al Ameriyah	May	October
Distance from nearest city (km)	95	58	50	4	32
Planned Population	500,000	500,000	510,000	150,000	350,000
Industrial Employment	36%	40%	40%	(1)	30%
Total Area (ha)	4,841	5,678	4,780	1,034	—
(acre)	11,423	13,406	11,269	2,440	10,500
Residential Services	25%	38%	31%	24%	26.7%
Utilities	27%	7%	27%	21%	(2)
Industrial	21%	20%	14%	(1)	31%
Open Space	21%	10%	11%	18%	6.1%
Roads	13%	25%	8%	37%	17.3%
Tourism	—	—	—	—	17.8%
Residential Density (Persons/Acre)	175	98	145	256	100
Overall Density	44	57	45	61	33

- (1) The 15th of May city is planned as a dormitory community for workers in already existing industrial complexes.
- (2) Utilities is included in the item of Roads.

Table 2  
Distributed Investments Allocated for New Towns 1978-1982

Sector	Investment (L.E.000)	Percent of Total	Percent
Agriculture	5,000	1.86	1.55
Irrigation	—	—	—
Industry	16,000	.86	4.97
Oil	—	—	—
Electricity and Power	25,000	4.65	7.77
Transport and Communication	50,000	3.75	15.55
Commerce	9,000	5.30	2.80
Housing	18,500	14.56	25.37
Utilities	35,000	14.03	26.44
Services	50,000	7.56	15.55
Total	321,600	4.82	100.00

Source: Ministry of Planning, 1978-82 Five Year Plan, Development Strategy and Regional Planning, Volume 9 August 1977.



## Middle East. Anthony Davis explains how it is being overcome

Maqarin dam to be built  
across the Yarmuk river in  
north Jordan. The dam will  
form the heart of a new  
stage in the Jordan Valley  
scheme. Stage two aims to  
strengthen the system. In-

biology is vitally important. This technology must be imported from the West and it is, therefore, certain that opportunities for participation must grow for at least another decade.

## Sweeping changes in the insurance market

market and of reinsurers such as Munich Reinsurance Company, M & G, and British Engine.

In nationalized markets, such as Iraq and Syria, the

at that time, said: "A shortage of facilities for bonding and protection against contingent liabilities is thought to be a major obstacle facing construction exporters."

working closely with the project manager or consulting engineer, the risk management adviser would cover physical risks, design implications, legal liabilities, financial and political risks.

For a country like Saudi Arabia the development of its interior regions is made more difficult by there not being enough water to begin with. In Riyadh, for example, the next five years' consump-

set of pipes that feed the water closets, with a smaller volume sent for irrigation. Again for Riyadh, drinking water supply has been increased from what is claimed

To the north, Mesopotamia's twin river systems are generating construction contracts to improve agricultural production in Syria and Iraq. The Jordan Valley

Masraqin dam to be built  
astride the Yarmouk river in  
north Jordan. The dam will  
form the heart of a new  
stage in the Jordan Valley  
scheme. Stage two aims to

Bahrain has given priority to improvement of water distribution, sewerage, and water drainage. Funds have been allocated to renew and strengthen the system. In-

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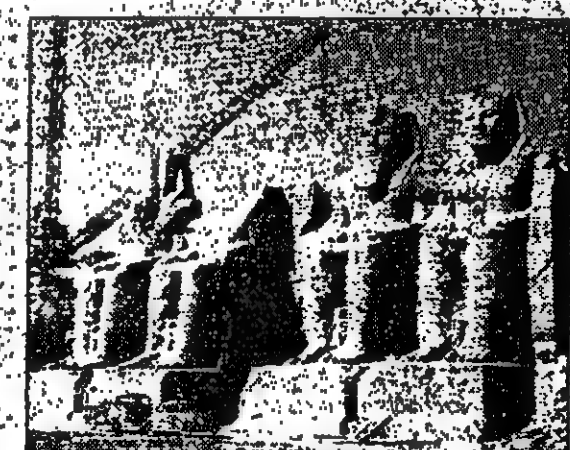
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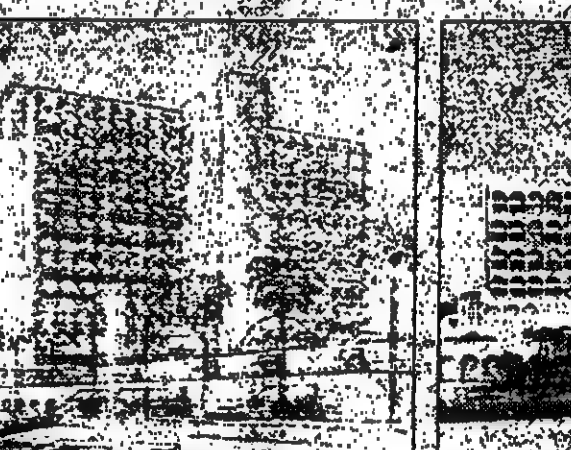
**We've been active in the Middle East since the fifties -and have resources for much more than construction.**



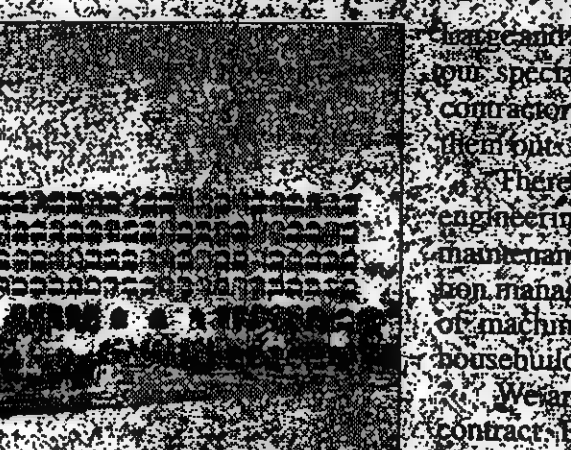
*Skanska was a member of the international consortium that performed the moving of the 3000 year-old rock temples at Abu Simbel in Egypt.*



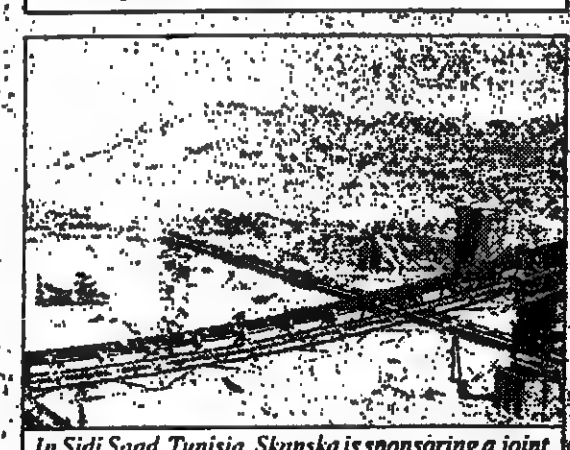
A boarding school in Oman—one of the schools and hospitals we have delivered turnkey.



*residential complex in Baghdad, Iraq, be delivered turnkey in 1981—after a production period of only three years.*



of Tripoli, Libya, Skanska is building many castles to be delivered turnkey in less than



venture carrying out an extensive flood control project.



The fourth extension of the Port of Jeddah in Saudi Arabia is being constructed by ARMASKA—a joint venture of Skanska and two other European contractors. The extensive dredging was done by Skanska's dredging fleet.

# SKANSKA

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## THE BOMB BACK ON THE AGENDA

There are occasions when the ambiguity of a conference resolution is of particular significance. So it was in the defence debate at the TUC yesterday. The resolution that was passed condemned the siting of Cruise missiles in Britain. That was specific enough. The resolution went on to deplore the Government's decision to purchase Trident missiles as a replacement for Polaris. That was specific only up to a point because it was not clear from the terms of the motion whether Trident, in particular, was being opposed on grounds of cost or whether any British nuclear deterrent would be rejected. The resolution did indeed come down against any defence policy based upon the use or threatened use of nuclear weapons, but while it called for disarmament in both the nuclear and conventional fields it did not say whether this should be unilateral or multilateral.

It was therefore a resolution which gave encouragement to the unilateralists but could be accepted by the multilateralists as not directly condemning their position. There are, after all, genuine multilateralists who are against either Cruise or Trident, or both, on technical or economic grounds. So the resolution could be, and was, supported from very different standpoints. This ambiguity was not accidental. It was a means of concealing, at least to some extent, the deep divisions that exist within the trade union movement on defence policy.

This development is important for two reasons. It is a further indication that for the first time in nearly 20 years nuclear defence policy has come back right to the top of the political agenda. It almost tore the Labour Party apart when Cateskill made his great stand in 1960, and now once again it threatens the unity of the party. It is expected to provide the most contentious debate at the Blackpool conference at the end of this month, apart from the rows over the party's constitution. But it is not only within Labour's ranks that nuclear defence policy has now become a major point of dispute. It will probably be the most strenuously contested debate among the Liberal and Conservative parties as well, when they assemble at Brighton next week. And outside the ranks of all political parties there is now a sense that questions that have lain dormant for nearly 20 years are now being asked again.

The second reason why the trade unions' disagreements on defence are of some consequence is that they make it all the harder to predict what the Labour Party conference will do. The hope has been that the principal unions, most of them under moderate control, would rally round the established policy of multilateralism—while no doubt opposing Trident on grounds of cost, and possibly Cruise as well. This belief that the unions will safeguard the principle of multilateralism may still prove to be true. But it is impossible to have any confidence in the outcome when the AUEW, under right-wing control, point in one direction and the Transport and General Workers, under equivocal management, point in another. With such a division of strength and consequent uncertainty about the outcome if battle is joined, it is quite possible that the issue will be fudged at the Labour conference as it has been at the TUC. But while that might be a dexterous way of holding the party together, it would neither command the respect of the electorate at home nor strengthen the cohesion of the alliance abroad.

## THE VERLIGIES OF SIMONSTOWN

The result of the Simonstown election reveals more clearly than ever the feelings among white South African voters of the need for change. It is true that the Progressive Party is disappointed at failing to take the seat. Traditionally a United Party seat, it was taken into Nationalist custody by its strong member when the UP split up. Now the Nationalist Party holds it by a genuine majority. But there is a difference. That majority was given to the National Party of Mr Botha, not the National Party of Mr Vorster. The Progressives might well have won but for Mr Botha's moves. He resubmitted his cabinet last week to give it a more progressive, or at least forward-looking, and reformist, appearance. He made an eve of poll speech trouncing the diatribes of his party, and plainly repudiating their spokesman Dr Treurnicht, who had defiantly upheld apartheid fundamentalism after his demotion to minor office. This did the trick in Simonstown. But was Mr Botha merely electing himself as he is earnest? Has progressivism won at Simonstown, even if the Progressive Party has lost? Mr Botha, certainly knows how to play on the confused feelings of the white voter, but more particularly the Cape voter, both Afrikaans and English-speaking. The voters increasingly realize, even if Dr Treurnicht pretends not to, that apartheid as evolved since 1948 has run into the sand. But to admit its failure (of which only the latest sign is the

apparently to bring into the government Mr Gerrit Viljoen, who is the chairman of the Broederbond but who accepts the need for change. No less significant is the growing strength of the military government, personified by the appointment of General Malan as Defence Minister. Thus the government is still a facing-both-ways government. The final decisions have not been taken.

There are two actions that Mr Botha could take to show that his words are not mere electioneering. One would be steps really to end the Mixed Marriage and the Immorality Acts. His challenge that the proud Afrikaner nation cannot be dependent for its survival on these sexual taboos struck the right note. To name the Afrikaners into abandoning these inhumane caste rules would be a step forward, but equally it might split the Nationalist Party as little else could.

The other move that would show him in earnest would be the decision to bring black representatives into the planned Presidential Council, which has constitutional-making functions. It may be too late now, but it could be tried, and is certainly the only way to resuscitate the concept. Mr Botha's advisers are ever to believe that the Afrikaners must have to be tried, as a minimum commitment to change. Otherwise Mr Botha, while speaking fair, will be leading the country towards a quasi-military dictatorship, albeit one with multiracial facets. Simonstown hardly voted for that.

## CONFUCIAN PURGE IN SOUTH KOREA

After the assassination of President Park in October last year, South Korea's acting president, Mr Choi Kyu-Hak, promised the country a democratic constitution and the election of a new government in 1981. He made the point then that whatever case had been made for the military takeover that brought Park Chung Hee to power in 1961, the country's economic transformation since that time had left far behind such political evolution as should have accompanied South Korea's new status in the world. These arguments were lost in the wind when a new military coup occurred in December. It was followed by martial law in May of this year, and the installation last Monday of the regime, previously unknown, of General Chun Doo Hwan as a new president devoted to the same authoritarian principles as President Park. The new president was formally endorsed, without a single dissenting vote by the National Conference for Unification.

Quick march, by the right, is not however the simple answer to South Korea's ideological hesitation. Left-wing and other anti-government demonstrators have been arrested, journalists lacking in anti-communist zeal have been sacked. The ever-useful plea of a threat from the communist North is brought out to silence all those who were

advocates of more political freedom under President Park's rule, and the many more who joined them in the brief weeks of freedom earlier this year.

The purge in the civil service and the drive against corruption has been even more sweeping. Mr Kim Jong Pil, President Park's original political backer, has been made to disgorge the millions corruptly acquired. All through the upper ranks of ministries and the police many hundreds have been charged with corruption and many more have thought it prudent to resign. The swathe cut through the media has been equally fierce. Of 172 periodicals most had their licences cancelled for being unorthodox, but along with these have gone most of the worthwhile intellectual weeklies and monthlies. Last intellectual life still shows signs of vitality in any of Korea's eighty-five universities. President Chun has told these institutions that their job is to teach students what will best serve the national interest and to understand the real situation that the country faces.

It is not difficult to perceive the Confucian origins of President Chun's authoritarian moral standpoint. That tradition is as strong in Korea as it is in China and in China, too, since Mao's death the plea for democracy has first swelled and then been curbed to prevent the demand

## Under sail

From Mr A. M. B. Bell  
Sir, Any realistic shipowner operating today, and hoping to be in business tomorrow, knows that self-assisted, if not fully wind-powered ships, will come. Air Commodore Nance, in his letter (Sept 2) points out that the momentum of research cannot be allowed to falter. Operating along a route between Bristol and Cape Town, which includes two pronounced areas of trade winds, we have been able to feed weather information to Air Commodore Nance's team to help them in their assessment of practical circumstances.

From the depths of one of the most prolonged and bitter racing seasons in modern history, I have barely surviving the winter, and in fact twice, in the past seven years, all but the richest shipowners can be forgiven for being preoccupied with the task of meeting the month's bills, fighting for the next

cargo, and combating the encroachment of worldwide government interference. The latter ranges from trade protection to unilateral reductions in how many people a ship's lifeboat can carry.

Despite all this we are a brave breed. In the depths of the 1929-1932 depression every now famous name—and a few who have faded into history—was pioneering the technology and building up the fleets which gave Britain a modern merchant navy with which to see to war in 1939; a key factor of the victory that is often forgotten. Whilst perhaps a few of us have an eye on defence issues now, all of us want self-assisted ships encouraged but despite the best efforts of the General Council of British Shipping, this is unlikely to be a joint project amongst British shipping operators.

Early in 1981 we anticipate putting a 500 gross ton sail and diesel-engined cutter into our route between Ascension Island and St. Hel-

## The electoral see-saw

From Lord Harlech  
Sir, Mr Callaghan's speech to the TUC Conference on Tuesday (September 2) highlights the unrealistic confidence of all political leaders that their party will, under the present electoral system, be re-elected and remain in power for many years. His plea to the TUC for support clearly reflected this outlook when he drew attention to the need for stable government, and to put an end to Conservative and Labour Governments enacting and repealing legislation in turn.

Of course we want to get away from drastic reversals of policy each time the Government changes as the result of a swing of only a few per cent in the votes cast at a general election. These instant reversals have done incalculable harm to British industry and society. But however desirable greater continuity may be, it can only be achieved by electoral reform and changing to a system of proportional representation.

It is high time our political leaders adopted a more realistic attitude and at least undertook to seriously the merits of electoral reform for which there is growing support.

Yours etc,  
HARLECH,  
Chairman,  
National Committee for Electoral Reform,  
60 Chandos Place, WC2,  
September 4.

## A diplomat's business

From Sir John Wilson  
Sir, Some myths, it seems, will never die and one of the slivers of them has just been repeated by Mr Peter Hennessy in his Whitehall brief of September 2, where he states that the Chatham House policy unit "all agree that... economic and trade matters... are still regarded as a second-class area that proper diplomats do not get involved in."

If it is true that the pundits of Chatham House hold that view it can only be from ignorance and the somewhat more serious study of the higher posts in the Foreign and Commonwealth Office and to Embassies in the United States; the countries of the European community; places like Switzerland which is one of our biggest export markets; the like of the United States and China with whom business is conducted on highly specialized terms.

In most countries an intimate knowledge of local conditions, legislation and personalities is necessary for the successful conduct of business and most businessmen with whom I and my colleagues have dealt over the past decade or so are glad to admit that they find just that knowledge—and the assistance they look for in our Embassies abroad. They do not go to the Embassies to be taught economics or told how to run their businesses, but to hear about the factors and conditions peculiar to that particular market.

There is, of course, an entirely separate issue, which is whether United Kingdom economic and commercial policy is well conceived. But that is a matter that involves the political parties, the trade unions, the CBI, economists of Chatham House and elsewhere, the Treasury, the Department of Trade, the Bank of England and journalists at least as much as it involves diplomats: who have to try to make sense of the views and pronouncements of all those bodies as well as of the situation in the countries in which they are accredited.

Yours faithfully,  
JOHN WILSON,  
Wilmore Lodge,  
Middleton Square,  
Reddish, Cheshire,  
September 2.

## The theology of marriage

From Mr Jeremy Gaskell  
Sir, One problem that will vex curial minds if presented with a request to develop a theology of marriage, based in the Christian faith, will be annulment, rather than contraception which dominates present thinking. If the authenticity of a marriage is to be judged on the degree of then consent, then annulment will become redundant because it will be impossible to categorize that degree, or it will become a magic formula for ending unhappy marriages. The case for annulment will be reduced to the point where it will not be worth pursuing.

Yours faithfully,  
JEREMY M. GASKELL,  
29 Epke Road, SW6,  
August 20.

## French connexion

From Mr L. R. Weston  
Sir, The slogan "French fishermen rule, aux quais" reported by my Broadcasting House colleague Leslie Robinson (September 3) could in fact be an echo of the origin of the expression OK.

According to the Oxford Dictionary, OK was first used as an election slogan by President Van Buren, the initials being those of his birthplace, Old Kinderhook, New York State. One school of thought pretends it, however, Louisiana when that state went under French rule.

According to this theory inspectors weighed and graded bales of cotton as they were delivered to Mississippi river ports for shipment. Those found faulty for any reason were turned back. Porters bearing these which passed muster were told "aux quais"—to the jetty.

Like jazz, the expression could well have travelled up the Mississippi to win acceptance throughout America and eventually the world—and not just the English-speaking countries.

Yours faithfully,  
LAURENCE WESTON,  
BEC External Services,  
Bush House, WC2,  
September 3.

## Polish lesson on communism in practice

From Mr David Holbrook  
Sir, I was one of those who, at Cambridge at the tail end of the pro-communist movement, found themselves under a powerful appeal from Soviet developments. What appealed to us was the promise of a new and rational kind of social organization, and even the materialism of communism itself. It seemed to offer at last an escape from the hypocrisy of capitalist values, which were to us (as they were later to Simone de Beauvoir) the mere elevation of class interests into spurious principles. The philosophy of dialectic materialism seemed also to offer a release from the cruelties and bigotries of religion, such as we witness today all around us. In short, we became entranced by communism because it seemed the most rational approach to social and economic problems, and the most truthful approach to man's predicament.

There was however one difference, as we soon discovered, about communism, which Lenin devised as a form of political activism and theory in which anything must be sacrificed to expediency. Only show that the future domination of the proletariat, which was historically inevitable, required a certain action, and it became justified. Any destruction of human values was vindicated by the promise of eventual communism. In other words, the traditional values could be rejected as "bourgeois", and even truth itself could be jettisoned, in the name of what was, after all, a vision, a postulated new society—in the name of blind faith.

I was one of those who left the party when the Zdanov and Lysenko affairs made it clear that, under Stalin, even human culture and science were to be sacrificed, if necessary, to expediency. And since those days matters have grown worse and worse—a paralysed and rigid concept of what the "dictatorship of the proletariat" must mean has impelled the powerful Soviet Union to suppress all new growth in the sphere of the exploration of truth, in Hungary, in Czechoslovakia, and in such spheres as the misuse of psychiatry, the suppression of dissidents, the treatment of artists, and the harassment of Dr Sokharov.

Now, surely, it must be plain to the world, over Poland, that the Soviet Union is a blatant enemy of truth. It is people knowing about the Polish workers' movement. It tells lies about Poland as absurd as the paranoid lies it tells about Afghanistan. Whatever else the Polish workers have achieved they have exposed the communist movement as one which lives by an untruthful travesty of reality, and by force—as was clear in Prague in 1968, when, with banners depicting the "proletariat" hung about the place, Russian tanks rumbled about the streets to suppress the actual workers' movement. They began to cry "Dubcek!"

Communism, however, is still respectable in our universities, and some of my colleagues of the forces are still leading Marxists. The dread of the human truth, the dread of the rationality committed by Marxism in action seem to leave them untroubled, not even when these offences have led to vast mass death and suffering. It would be interesting to hear their comments, as to whether there is something inherent in Marxist philosophy which led it to become, instead of a new science of politics and social

## An international Jerusalem

From the Archdeacon of Oxford  
Sir, The letter from Lord Banks and others (September 2) or something like it, was to be expected sooner or later. It is of special interest to me as one who was a resident of the Holy City in 1947, when on November 27 that year the United Nations General Assembly by a more than two-thirds majority approved the General Assembly's Special Committee on Palestine proposals to partition the Holy Land into an Arab state and a Jewish state, Jerusalem and its environs, including Bethlehem, to be an "international enclave".

At the time many of us thought this the fairest solution of what seemed an intractable problem. The immediate reactions were rejoicing on the Jewish side, but dismay on the Arab side, which refused to have anything to do with it. The Palestinian Arabs invoked the help of their Arab neighbours, Jordan, Syria, Iraq, Egypt, to assist them to frustrate the implementation of the plan. I frequently heard them say that their object was "to drive the Jews into the sea".

I have always opposed a divided Jerusalem, which was the case between 1948 and 1967. The Holy City has been open to all, especially pilgrims from the three monotheistic faiths, since June, 1967, as it had been before 1948. While regretting the timing of the present Israeli

## Aid for the Third World

From Mr M. A. Cameron  
Sir, Will you please accept grateful thanks from one who has been a technical adviser in Third World countries for both the United Nations and the World Bank, for Mervyn Westlake's article (August 14)?

The statistics quoted of actual and planned British aid expenditure since the end of GNP ratio over 10 years tell the obvious and humiliating story, with its implied scorn for the Brandt Commission report.

This report commands serious attention on three accounts: 1. That after two years of wide-ranging travel and discussion, a commission with equal and authoritative representation from the richer northern and the poorer southern countries of the world produced unanimous conclusions. 2. That the title of the North-South report deliberately includes the dramatic words, "Programme for survival", and says why. 3. That the commission have been able to identify and stress the mutual benefits to rich and poor nations that could result from implementing the commission's recommendations, including their "emergency programme".

organization, a horrible new darkness, which relies upon lies, suppression and brutality.

Yours etc,  
DAVID HOLBROOK,  
Brunswick Gardens,  
Cambridge,  
September 1.

## From Mr Zbigniew Mieczkowski

Sir, The policy of non-interference into the crisis in Poland could only be justified if backed by a promise of some financial aid to help to stabilize the collapsing economy of that country.

This may lead to East-West dialogue with possible reestablishment of détente, so much desired. This could also allow the Polish communist Government to give concessions to the workers.

When the Second World War ended, the United States, aiming to prevent communism spreading to the West, created a strong Germany. Surely Poland deserves at least another Marshall Plan or similar treatment once given so freely to those responsible for her destruction.

Yours faithfully,  
ZBIGNIEW MIECZKOWSKI,  
Brooks,  
St James's Street, SW1,  
August 29.

From Mr L. Gilbert  
Sir, You welcome the weakening of the Communist Government in Poland. It may be true that such governments were installed in East Europe under the protection of the Red Army and not by revolution from below; perhaps not surprising in view of the slaughter of progressives during the German occupation.

However, one should recall the role of the fascist and semi-fascist regimes in power in these countries before the war and how they supported, or at the least did not impede, the German drive against the Soviet Union. It is understandable that the latter should want friendly governments in power on her western frontiers.

But this is also in our interests. The destabilization of Poland opens the way to that of East Germany, which would be a necessary step towards the reunification of Germany. The West is officially committed to the latter, though in reality may not be enthusiastic.

Shoner or later, the political and military role of Germany must catch up with her economic might. In fact, the strongest industrial power in Western Europe already has the largest land forces. It may be that the British nuclear deterrent (unlike the cruise missile) and the French force de frappe, together with their forces in Germany, are in reality designed to contain the threat. However, once events move they can do so remarkably rapidly. Two politicians who were or are unimpaired in progressive circles, Winston Churchill and Enoch Powell, drew attention to the real military danger to Britain from Germany, not from the Soviet Union. Powell not long ago pointed out that the British nuclear deterrent was to maintain an alliance with Russia (irrespective of the nature of the regime in power) against a German threat. It would be well to ponder on these words before rushing to welcome fundamental changes in Eastern Europe.

Yours faithfully,  
L. GILBERT,  
24 Lewes Road, N12.

Government's recent decree regarding Jerusalem. I am bound to say that I wholeheartedly applaud what Teddy Kollek, the indefatigable mayor, has done not only to ensure free access to all the holy places, but also in so many ways, to make Jerusalem more beautiful and better administered than ever before.

Attractive as internationalisation may seem to the three noble lords, the precedents elsewhere are not encouraging. More important, it has to be realised that in 1947 the Jews were prepared to accept this as part of the United Nations package deal allocating them their Israeli state. It is a bit late now, over more than 20 years of Arab-Israeli strife, to expect Israel to oblige meekly. Rather should the various suggestions made by Mr Kollek and others be carefully and expeditiously explored. These include the possibility of certain areas of Jerusalem, mainly in the Old City, being under the protection of the countries concerned with the various shrines—as some have put it—some sort of "Vatican" arrangement. I just add that of course the Orthodox Patriarch and the leaders of all the non-Roman Catholic communities would need to be similarly treated. Likewise with the Jewish and Muslim holy places.

Yours faithfully,  
C. WITTON-DAVIES,  
Christ Church,  
Oxford,  
September 2

For we in the North need more outlets for our exports to create more jobs; the South, nest more of the goods and technical services the North can supply. Means have to, and can, be found of providing the finance required to link these two continuing needs.

From a global point of view—and surely at this point in history a global viewpoint is essential—the coexistence of these two needs does not make sense.

As our Government points out, the world economic system can change to meet changing circumstances; but such changes have to start with change in the attitudes of the dominant northern countries, among which Britain is perhaps uniquely qualified by its experience and resources to take the lead. To have abdicated from such leadership at this time is a shameful decision, which could well have electoral repercussions for a Government which at present shows signs of needing all the electoral support it can attract.

Yours etc,  
M. A. CAMERON,  
22 Jireh Court,  
Perrymount Road,  
Haywards Heath,  
West Sussex.

## The life of a Welshman

From Sir Cennydd Traherne and others  
Sir, The hope of Welsh people everywhere is that a satisfactory solution will result from the forthcoming meeting between the Home Secretary and three representatives of the Welsh nation.

We recognize that the Archbishop of Wales, the Most Reverend Dr G. O. Williams, Lord Cledwyn and Sir Gwynfor Dafydd have given a lifetime of service not only to the people of Wales but to the British nation in religion, government and education. It will be a sad reflection on Her Majesty's Government if their intervention to save the life of Dr Gwynfor Evans does not secure a positive response.

The majority of those concerned with the peace and welfare of this country, including those who, like ourselves, are not members of any Welsh nationalist political party.

We are deeply anxious about the bitterness, disruption and possible violence which will follow if this mission fails. We trust that the gravity of this situation will be fully taken into account in the discussion. Many thinking people in Wales believe that, if appropriate action is not taken, the death of this noble and peace-loving Christian gentleman will be the result of a failure by Her Majesty's Government to carry out its own pledge, the fulfilment of which for Dr Gwynfor Evans and many thousands of others was vital to the cause for which they have lived and are ready to die: the preservation of the Welsh language.

Yours faithfully,  
CENNYDD TRAHERNE,  
IDRIS POSTER,  
BENJAMIN SWANSEA AND BRECON,  
THOMAS JONES,  
ELWYN DAVIES,  
J. A. DAVIES,  
HYWEL E. EVANS,  
PETER MAGILL,  
E. G. BOWEN,  
THOMAS JONES,  
A. D. LEWIS,  
W. J. ST. ERYLV-GLYNDWR RHYS,  
S. I. ENOCH,  
Hendre,  
Brynnyr Road,  
Abercynwyl,  
Dyfed.

## Immigrant's detention

From Mr H. D. Sills  
Sir, Certainly the case of Zamir is disturbing, as was indicated by Mr Arthur Griffiths in his article "Habeas Corpus: how its spirit has changed" (August 12), though this is not solely for the reasons that Mr Davidson has adduced.

Mr Zamir had a right of entry under paragraph 38 of the 1973 Immigration Act, which states that "any person who has been granted leave to enter the United Kingdom for a period of more than three years shall be deemed to have been granted leave to enter the United Kingdom for a period of more than three years." Mr Zamir's failure to disclose that he was married had vitiated his application, by which time he was over 18. All three courts, the Divisional Court, the Court of Appeal, and the House of Lords, held that Mr Zamir's failure to disclose that he was married had vitiated his right of entry, even though he had not been asked about it. (In the similar case of Mangoo Khan Lord Denning held that there was no duty of disclosure, and of the House of Lords' decision in *Commissioners of Customs and Excise v. Tom and Another* (1977).

Neither the Court of Appeal nor the House of Lords really considered the other, prior, aspect of the case. However it was considered in the Divisional Court, where Lord Widgery said: "When the application for entry certificate was made the applicant was only 15 and did not require to show that he was unmarried or that he was fully educated... But by the time the authorities got round to dealing with the application he was 18, and as a child of 18, if that is the material date to judge these matters, he was not entitled to enter the United Kingdom under paragraph 39, without showing that he was unmarried and wholly dependent" (Weekly Law Reports, 1979, 3-90 [July 20, 1979]).

It is wrong that delay by the immigration authorities should be capable of depriving an applicant of his right of entry under paragraph 38. There was some uncertainty about the authenticity of Mr Zamir's birth certificate; but the court did not pursue the matter; and, in this case, I submit that Mr Zamir's right of entry ought not to have been impaired by the delay, that the question, therefore, of his subsequent marriage was irrelevant, and that he was guilty of no deceit in failing to disclose it.

Yours truly,  
H. D. SILLS,  
Hillstreet,  
Great Sheffield,  
Cambridge.

## Wrong turning

From Dr R. A. Buchanan  
Sir, I have not seen the new book on *Industrial Archaeology* to which you give a notice today (September 3) under "Books for children", so I make no judgement on its contents other than the illustration of a water-wheel which you reproduce. On this, however, it must be said that, quite apart from showing the wheel going round in the wrong direction in relation to the flow of water, it is alarming to find a juvenile audience being encouraged to treat such a potentially lethal piece of machinery as a fairground feature which may be clambered over with impunity.

Yours faithfully,  
R. A. BUCHANAN,  
Centre for the History of Technology, Science and Society,  
University of Bath,  
Claverton Down,  
Bath.

## Green and pleasant land

From Mr Roland Mayle, MP for Llanishan East (Labour)  
Sir, I note that the Prime Minister's visit to Great Britain is being described as "purely pastoral". Am I right in believing that this is a subtle hint from a sensitive world leader that he expects nothing of industry and commerce to be left to the time he arrives?

Yours faithfully,  
ROLAND MOYLE,  
House of Commons.



## OBITUARY

## SIR GEORGE PICKERING

Major contributions to clinical medicine

Sir George Pickering, FRS, FRCP, who made major contributions to clinical medicine and was Regius Professor of Medicine at Oxford University from 1956 to 1968, died on September 3 at the age of 76. He was born at Pembroke College, Oxford, in 1904. He was a member of the Pembroke College, Oxford, from 1928 to 1934. He was a member of the Pembroke College, Oxford, from 1928 to 1934. He was a member of the Pembroke College, Oxford, from 1928 to 1934.

With the aid of the Wellcome Trust, a separate university clinical department was established in the teaching hospital with its own wards and laboratories under the control of the Regius Professor of Medicine. This was a total assignment that would have seemed impossible in the early days of the department. His department rapidly attracted research workers from all parts of the world. The stream of important publications continued until his death. He was also a lecturer, visiting professor and recipient of honorary degrees.

The medical situation which faced Pickering on his arrival in Oxford was complex. Lord Nuffield had given his foundation for the establishment of a post-graduate research department in the hospitals. There had been a tacit assumption in some quarters that the example of the Johns Hopkins Hospital, the pioneer school of American medical education, would be followed and that when the new clinical department was established it would be a centre for postgraduate research. But it was not to be. The department was established as an undergraduate school. It was a school of clinical medicine, not a school of postgraduate research.

Pickering had received a knighthood in 1957 and became a Fellow of the Royal Society in 1960. He was President of the British Medical Association (1963), a trustee of the Beit and the Astor Foundations and a member of the Nuffield Provincial Councils. He was also a member of the Nuffield Provincial Councils. He was also a member of the Nuffield Provincial Councils. He was also a member of the Nuffield Provincial Councils.

## LORD BROCK

Lord Brock, MS, FRCS, FRCR, died on September 3 at the age of 76. He was Regius Professor of Surgery at St. George's Hospital, London, from 1953 to 1968.

His contributions to the literature of cardiac surgery were basic and fundamental. He also produced an important book on the anatomy of the heart, "Working with the Heart". He was a member of the Royal Society and the Royal College of Surgeons. He was a member of the Royal College of Surgeons. He was a member of the Royal College of Surgeons.

His association with the Royal College of Surgeons was long and fruitful. He was elected a member of the council in 1935. He was elected a member of the council in 1935. He was elected a member of the council in 1935. He was elected a member of the council in 1935.

Obtaining the FRCS (Eng.) he held a Rockefeller Travelling Fellowship which was spent in the surgical service of the late Professor Sir Victor Gumpel, in St. Louis, Missouri, United States of America. It was there that his interest in thoracic surgery was first stimulated and to which he devoted the rest of his life. On his return from the United States, he took the MS.

Mr. Isaac Harry Levison, who died on September 2, was a member of the main board of Sear's Holdings Ltd from 1961. As managing director of Sear's footwear division from 1954 until 1978, he played a major role in the creation of what is now the largest footwear manufacturing and retail business in the United Kingdom.

## Pope's British visit linked with renewal of church

By Robert Nowell  
The Pope's planned visit to Britain in 1982 was linked yesterday by Cardinal Hume, Archbishop of Westminster, with the renewal of the Roman Catholic Church in England and Wales.

Initiated by the National Pastoral Congress last May, addressing the National Conference of Priests yesterday at its eleventh annual meeting in Birmingham, the cardinal said that when the Pope visited a country it was his normal practice to meet the bishops' conference. "I would like to think that on that occasion each diocese will present the Holy Father with a summary of what has been done between the National Pastoral Congress and his arrival, to implement the congress and the vision it offers," he said.

In the months before the visit, the cardinal told the priests, their efforts should be such that when the Pope left they would be leaving the Gospel more fully and more fully. "If that happens, every effort will be worthwhile. If it does not, the visit will become just a pleasant memory."

The cardinal expressed the hope that people would not demand too much of the Pope during his visit. "These visits are very exacting, and he cannot go everywhere," he said. The visit would be planned to allow as many people as possible to enjoy and benefit from it. Judging by his visits to other countries, it will be a matter of a few days.

Asked how Catholics could answer the fears of those who were disturbed by the prospect of the visit, the cardinal said that he had been "overwhelmed by the generosity and enthusiasm shown in the press. He liked to think that expressed the prevalent mood."

From Peter Nichols  
The Duke of Edinburgh, attended by Air Commodore Sir Archie Winstill and Mr. Richard Davies, travelled in an aircraft of the Queen's Flight.

The Prince of Wales will attend an Order of Christian Unity reception at the Bible Society, 146 Victoria Street, London, on October 28.

Birthdays today  
Lord Bolton, 71; Sir David Follett, 72; Professor P. F. Fricker, 72; Mr. Stuart Ridd, 67; Mr. Arthur Koestler, 75; Sir Francis Lloyd, 64; Professor A. D. Wainman, 62; Sir Victor Gumpel, 88; Sir Victor Gumpel, 88; Sir Victor Gumpel, 88.

Marriages  
Lieutenant C. R. Style, RN, and Miss E. M. Woodford. The engagement is announced between Lieutenant Charles Style, Royal Navy, son of Lieutenant Commander Sir Godfrey Style, CBE, DSC, Royal Navy, and Lady Style, of Rocklands, Norton-sub-Hamdon, Somerset, and Charlotte, elder daughter of the late Lieutenant Tim Woodford, Royal Navy, and Mrs. George Walker, and stepdaughter of Mr. George Walker, of 8 rue du Moulin, Brunstatt, Strasbourg.

Mr. N. S. D. Bulmer and Miss A. M. E. Gurney. The engagement is announced between Nigel Sebastian David, son of Mr. and Mrs. N. S. D. Bulmer, of Brunton, Hereford, and Angela Mary Estelle, daughter of the late Lieutenant Colonel J. E. Gurney, DSO, MC, and Mrs. Gurney, of Tacolneston Hall, Norwich, Norfolk.

Mr. A. M. Scott and Miss E. J. David. The engagement is announced between Alexander Malcolm, younger son of the late Mr. Gordon L. M. Scott, and Mrs. E. M. Scott, of Terraces Avenue, Pollokshields, Glasgow, and Erica Jane, elder daughter of Mr. and Mrs. John David, of Arley Hall, Barrow, Merseyside.

Latest wills  
Mr. Hubert Griffiths, of Watlington, Oxfordshire, left estate valued at £40,356 net. He left his property to the Salvation Army. Other estates include (a) before tax paid; (b) not disclosed; (c) Baker, Mr. Leslie John Stanley, of Orpington, Kent, £158,414; (d) Burrell, Mr. Edgar Claude, of Ewell, Surrey, £158,414; (e) Downing, Mrs. Violet Cosmo, of Cusby, Lancashire, £23,488; (f) Duffield, Mr. Kenneth Percy, of Tewkesbury, Gloucestershire, £157,929.

25 years ago  
From The Times of Tuesday, Sept. 6, 1955  
Aid for immigrants  
The Jamaican Government is to be asked to finance and manage an immigration scheme in the United Kingdom to help both Jamaican immigrants and the cities to which they go in the search for work and homes. They will also be recommended to adopt an orientation programme in the West Indies to remove misunderstandings about Britain and the minds of immigrants. These two courses of action will be recommended by Dr. Clarence Senior and Mr. Douglas Haig in a report to the Home Office on their return to Jamaica after a field survey in Britain lasting nine weeks. Dr. Senior and Mr. Haig were accompanied by a delegation of Jamaican students, headed by the Chief Minister of Jamaica, Mr. Norman Manley, so that they could give advice on the formation of a programme to help West Indians to adjust themselves to British life.

£10,000 bond winners  
The winning numbers in the September draw for £10,000 Premium Savings Bond prizes, announced yesterday, were: SA 52840 (West Ham); 771 735788 (Brent, London); 14VT 735788 (Lancashire); 20VL 59513 (Barnet, London); 22VL 479422 (West Sussex).

BRITISH ASSOCIATION/SALFORD  
Extracting fear from a visit to the dentist  
It need not hurt to go to the dentist, the association was told yesterday. All that is needed is to take more time and care and a better system to be found for paying him. Mr. John Woolgrove, a dentist and psychologist, said: "A survey of patients carried out at Aston University, in Birmingham, showed that 40 per cent of those sampled had at one time or another delayed a visit to the dentist because they were afraid. Yet 55 per cent of them knew that should visit the dentist at least once a year."

But the matter was largely psychological, Mr. Woolgrove said. Fear stopped patients attending so that when they did go procedures were needed that if not handled carefully could cause pain. The expectation of pain also made patients over-sensitive, so that stimuli and procedures that

should not hurt were interpreted and perceived as painful. Yet even patients with a real phobia would quickly be cured if time and care were taken. One patient, whose teeth were being treated after 10 years of avoiding the dentist, was terrified of injections. But when a surface anaesthetic was applied before a warning injection, the patient was unable even to detect that it had been given.

Careful explanation calmed fears, and the fear of drilling was overcome for some patients by offering them a cutout switch which stopped the drill. Fifty patients were involved in the study, but not one actually used the switch. Pain and fear control require time and a slow rate of work. Mr. Woolgrove said. But the system of payment meant that dentists were penalised for working that way.

For more than a decade attempts by Government to tackle inner city decline have been a monumental failure. The millions of pounds spent on the operation have risen five times as much as the cost in terms of social blight is inestimable. That is the sub of an analysis presented yesterday at a special meeting of the Independent Television Association in which he sought a more effective approach to resolving the troubles of our decaying cities.

Mr. Stoddart, who until recently was research secretary of the Department of the Environment's Centre for Environmental Studies and is now senior executive of the regional companies secretariat of the Independent Television Companies Association, described the adoption by central government of "inner city" programmes as a massive waste of resources.

By concentrating on relatively small pockets of urban deprivation in a very small number of large cities, in the so-called "seven inner city partnership" areas, central government has failed to recognize the causes of inner

city decline. The causes of inner city decline are not small pockets of urban deprivation. They are the result of a massive waste of resources.

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Topped out: The Rev Alan Webster, Dean of St Paul's Cathedral, on the new lead roof of the nave, with the restored north-west tower behind him, after a topping-out ceremony yesterday. High-level work is now complete.

Princess Anne, Mrs Mark Phillips, is godmother to the infant daughter of Mr Donald Cameron, Yr of Lochiel and Lady Cecil Cameron of Lochiel, who was baptised Lucy Margot, Theresa in the chapel of The Border Saint, Montrose, on Sunday, August 31, by Dom Fabian Cowper, OSB.

The infant son of Mr and Mrs Peter Reave was baptised William Francis by the Rev Christopher Courtauld at St. Paul's, Knightsbridge, yesterday. The godparents were Mrs Hoag Thomas Messel, Miss Katherine Cooper and Miss Venetta Heathcote.

Today's engagements  
Exhibitions: Town and country in French nineteenth-century paintings, National Gallery, 10-5; Festival of English vineyard wine, British Centre, Earl's Court, 10-5; East Sussex, 12-4; Robert Louis Stevenson and Victorian Scotland, Canongate Tolbooth, Royal Mile, Edinburgh, 10-5; Mary Rose, Amoco Heritage Collection, J. Steven Davis, special exhibition gallery, National Maritime Museum, 10-4 (last day); Annette Chevallier, Camille, 11-6; International exhibition of miniature textiles, British Craft Centre, Earl's Court, 10-5-30.

Lectures: Raphael, by Audrey Tyrrell, National Gallery, Turner in Rome, by Mary Ellis, Tate Gallery, 1; Western music, by Geoffrey House, 11-30; Athletics and ancient Greece, in Jan Jenkins, British Museum, 1-15.

Dulwich College Old Alleymans  
The second meeting of Old Alleymans will be held at Dulwich College on Saturday, October 4. All former members of the college who left after the summer of 1954 are invited to attend. Full details of the arrangements for the day may be obtained from the Master's Secretary, Dulwich College.

Science report  
Zoology: Vocal repertoire of rats  
By the Staff of Nature  
A study of the sounds made by nine species of Australian rats has revealed a complex and varied vocal repertoire. The rats, which were studied in their natural habitats, produced a wide range of sounds, including ultrasonic calls, whistles, and chirps. The study was conducted by a team of researchers from the University of Melbourne.

experimenters. Baby rats in the nest were also prone to give what Dr Watts terms a clear, squeal, and a series of short, rapid chirps. The study was conducted by a team of researchers from the University of Melbourne. The rats, which were studied in their natural habitats, produced a wide range of sounds, including ultrasonic calls, whistles, and chirps. The study was conducted by a team of researchers from the University of Melbourne.

Adoption of inner city programmes said to be 'a massive waste of resources'

For more than a decade attempts by Government to tackle inner city decline have been a monumental failure. The millions of pounds spent on the operation have risen five times as much as the cost in terms of social blight is inestimable.

That is the sub of an analysis presented yesterday at a special meeting of the Independent Television Association in which he sought a more effective approach to resolving the troubles of our decaying cities. Mr. Stoddart, who until recently was research secretary of the Department of the Environment's Centre for Environmental Studies and is now senior executive of the regional companies secretariat of the Independent Television Companies Association, described the adoption by central government of "inner city" programmes as a massive waste of resources.

By concentrating on relatively small pockets of urban deprivation in a very small number of large cities, in the so-called "seven inner city partnership" areas, central government has failed to recognize the causes of inner city decline. The causes of inner city decline are not small pockets of urban deprivation. They are the result of a massive waste of resources.

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# THE TIMES

## BUSINESS NEWS



**Stock Markets**  
FT Ind 490.8, up 1.6  
FT Gilt 68.53, down 0.11

**Sterling**  
\$2.4190, up 32 pts  
Index 76.5, unchanged

**Dollar**  
Index 83.5, unchanged  
DM 1.7765, up 0.3

**Gold**  
\$647.5, up \$10

**Money**  
3 mth sterling 16 1/2-16 3/4  
3 mth Euro 5 1/4-5 1/4  
6 mth Euro 5 1/4-5 1/4

### IN BRIEF

## Opec leaders plan new conference on pricing

An extraordinary conference of oil ministers of the Organization of Petroleum Exporting Countries is likely to be convened immediately after the meeting of finance, foreign and oil ministers in Vienna on September 15 and 16.

The conference will try once again to reunite the Opec price structure. Any resulting price rises will be small. Saudi Arabia is expected to raise its price from \$28 a barrel to the \$32 benchmark figure which was agreed at the last meeting in Algiers and which most of the Opec moderates are using to fix their own prices before their second summit meeting in Baghdad in November.

It is also expected to reduce its production by one million barrels a day for the fourth quarter to ease the glut of supplies which is developing on the market.

### Oil discovery

The Union Oil Company of California's Netherlands subsidiary has made another oil discovery in the Dutch sector of the North Sea. The well was drilled by Union Oil Company of The Netherlands and flowed at a rate of 3,941 barrels of 26.4 gravity oil.

Union Oil of California has also reported discoveries in the North Sea.

### Westward dispute

Both sides in the boardroom battle at Westward Television appeared in the High Court before Mr Justice Milner yesterday.

The board is attempting to stop a shareholders' meeting called by Mr Peter Cadbury for September 10. The hearing was adjourned until 2pm today.

### 'Dawn raids' meeting

The Council for the Securities Industry met yesterday to discuss recommendations from its special committee looking into stock market "dawn raids". A statement is to be issued today.

### Cable & Wireless chief

Sir Keith Joseph, Secretary of State for Industry, has confirmed the appointment of Mr Eric Sharp as chairman of Cable and Wireless.

### Car output down

United Kingdom car output in the four weeks to August 23 was estimated to be 42,000 compared with 44,000 a year earlier. Production for the first eight months was 366,000, a fall of 12.2 per cent on the same period of 1979.

### Kaiser decision

The board of directors of Kaiser steel are to meet today to decide whether to liquidate the company.

### Philippine mix

Filling stations in the Philippine city of Bacolod are to start selling a mixture of petrol and anhydrous alcohol made from sugar cane molasses next week.

### Wall Street lower

The Dow Jones industrial average closed 4.35 down to 948.81. The S&P 500 was 13.22 down to 254.70.

## Bank postpones recall of £500m facility to ease pressure on interest rates

By Melvyn Wesslake

The Bank of England yesterday gave banks another month to repay the £500m that it lent them earlier in the summer in yet another attempt to hold down short-term interest rates.

This move is the latest in a long sequence of such actions stretching back to the beginning of the year, and as with all the others, the latest postponement of the banks' loan repayment is described by the authorities as being intended to "smooth" distortions in the City money market.

The £500m was due to be repaid next Monday. It originally formed part of a £700m Bank of England facility to clearing banks through sale and repurchase of gilts.

Such arrangements introduce the bank's liquidity and take pressure off interest rates. Another £750m is also outstanding under a similar arrangement which expires on September 15.

The authorities are thought to be particularly concerned that short-term interest rates do not go above 17 per cent. If they did it would encourage "blue-chip" corporate borrowers to take loans from their banks and re-lend the funds to the short-term money market.

This is known as "round-tripping". Blue-chip companies can borrow at about 1 per cent above the bank's 16 per cent base rate.

It would be viewed as particularly undesirable for blue-chip borrowers to re-lend on the bank's "make-up" day—September 17.

This would inflate bank lending and deposits, and consequently increase the money supply figures. Overnight money rates were about 16 or 16 1/2 per cent yesterday and

## How Bank of England tried to keep interest rates down

January 16: Bank of England pumps £1,000m into banking system by releasing special deposits equivalent to 2 per cent of the banks' eligible liabilities. Due for recall on February 8.

February 1: Repayment of £500m of eligible liabilities postponed to April 8. Deferred further to June 16. Cancelled June 16.

March 7: Repayment of other £500m of eligible liabilities postponed to May 14. Cancelled May 14.

February 15: A £500m Bank of England facility to clearing banks through sale and repurchase of gilts. To be recalled March 13.

March 7: Recall deferred to April 14.

April 3: Deferred again to May 15.

May 9: Deferred to June 17.

June 5: Recall cancelled.

seven-day loans were just below 17 per cent.

If it were not for persistent "smoothing" operations by the Bank of England, there would almost certainly have been much greater pressure for a rise in the minimum lending rate, the keystone in Britain's interest rate structure.

A rise in interest rates would be unwelcome to the Government. The already high level of interest rates is straining the finances of many companies, particularly manufacturers, and profits have sunk very low. A rise in the cost of corporate overdrafts would probably force many companies into bankruptcy.

But by holding down interest rates, the Government loses some control over the growth in the money supply, which is important to its policy. In public ministers maintain that the present minimum lending

rate is still appropriate to achieve government policy objectives.

Yet every month this year the Bank of England has taken some action to counter liquidity pressures in the money market which are officially described as special facilities.

The liquidity pressures have come from a variety of sources. The increase in value-added tax, advance payments of petroleum revenue tax, the advance sale of oil and the backlog of unpaid telephone bills after the strike at the Post Office, have all drained money from the banking system.

Moreover, the Government has issued over £7,000m gross of gilt-edged stocks so far this financial year, although two top stocks have not been fully sold. About £2,500m net has been sold to outside banks. This has imposed further liquidity strains on the system.

## Manufacturing liquidity declines

By David Blake

Manufacturing industry's liquidity declined to its lowest level since the middle of 1975, in the second quarter of the year, according to Department of Industry figures published today.

The figures show that a sharp improvement in the liquidity of non-manufacturing companies improved very sharply, leading to a slight improvement in the overall liquidity position.

The figures show starkly the squeeze which is now operating on manufacturing companies in this sector suffered a fall of £70m in their current assets and an increase of £340m in their liabilities in the second quarter.

The liquidity ratio fell from 64 at the beginning of the quarter to 57 at the end of the quarter. This still leaves manufacturing in better shape than

at the low point of 1974 and 1975, but it is likely that there has been further deterioration since then.

The figures in the survey are produced by 220 large companies, which may not be representative of industry as a whole.

But the figures do show very clearly the way in which there was substantial borrowing from the banks in the second quarter of the year, something which has been indicated by money supply figures. Industry has been purchasing a respite from bankruptcy at the price of going further into debt.

That picture does not hold for the non-manufacturing sector, however, which improved its liquidity very sharply. The liquidity ratio went up from 64 per cent at the start of the quarter to 89 per cent at the end. It resulted in an increase in the liquidity ratio from 64

at the start to 89 per cent at the end.

Liquidity ratios, at end of period: continuous series, seasonally adjusted			
	All current manufacturing companies	Non-manufacturing companies	Total
1st qtr 1979	130	123	126
2nd qtr 1979	127	120	123
3rd qtr 1979	127	106	116
4th qtr 1979	134	112	123
1st qtr 1980	101	98	99
2nd qtr 1980	84	87	85
3rd qtr 1980	77	65	71
4th qtr 1980	72	62	67

Figures in the table are calculated on a different basis. The liquidity ratio is obtained by expressing current assets as a percentage of current liabilities.

## Lloyd's profits reach £131m 'peak'

By Our Financial Staff

Lloyd's of London's global profits rose nearly 8 per cent in the three-year account to the end of 1979, the world's biggest risk taker announced yesterday. But it said that the profit of £131.3m earned on a premium income of £1,896m could be the high point of a cycle which now looked like going downwards.

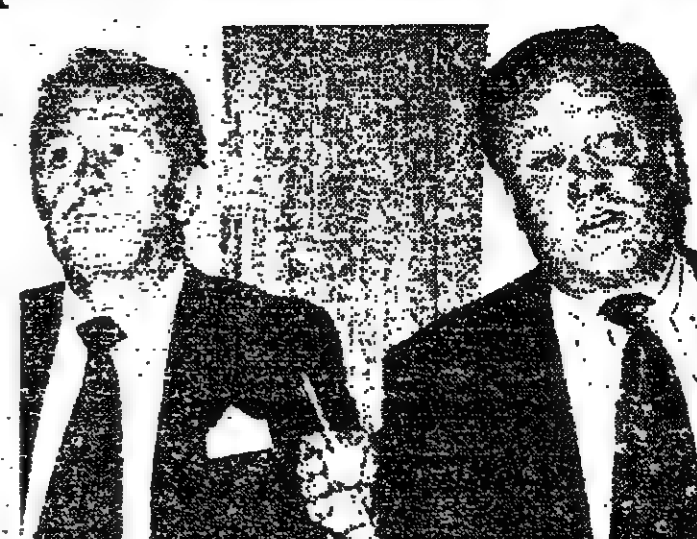
The surplus premium income, over claims, the highest since the record year of 1975, represents a 6.5 per cent return.

The figure for the three years—a period chosen by Lloyd's because it gives a "more accurate picture" of trading—would have more than doubled but for the full provision of computer leasing losses estimated at £340m (£141m). An estimated £71m (£29m) has already been paid out on claims.

Mr Peter Green, Lloyd's chairman, said that many people "with the benefit of hindsight have suggested that this was a class of business underwriters had got badly wrong, and I would not venture to disagree".

Computer leasing comes with the group's non-marine account which reported a better than expected overall profit of 3.3 per cent on the 1977 account. Profits were £30.1m on premium income of £899.5m.

But speaking on the general trends of Lloyd's business, Mr Green added that, although the results of individual syndicates may differ, 1977 could prove the high point in the current cycle as the outlook for 1978



Mr Joseph Hodges (left), secretary general of Lloyd's, and Mr Peter Green, chairman, at yesterday's press conference.

and 1979 appears much less favourable.

Lloyd's is facing increased competition which in some cases has kept premiums below the inflation rate and from overcapacity and an increasing number of names diluting profits.

Mr Gordon Hutton, chairman of Lloyd's Underwriters' Association, said last year's results would not be helped by the £300m (£125m) settlement of Avondale. Although Hurricanes Frederick and David did not, as first, make serious inroads on the marine account, there were substantial claims settled in the end.

Marine premium income rose from £56m to £69.5m against

claims of £619.4m. Taken with aviation—income £145.5m and claims of £144.3m—the profit for the year was £93.3m.

Compared with 1976, the hull account made a smaller contribution to overall profit and marked the first year of deterioration which has led the account into losses in 1978 and 1979.

During the last quarter of 1979, Mr Hutton said, 42 vessels with a known value in excess of £500,000 were lost. For the year as a whole the incidence of 156 total losses is expected to reach a value of about £36m.

Mr Hutton cited two examples of the gradual erosion of the remaining profitable sections of marine underwriting: cargo and the war account, which has suffered serious losses in 1979 and 1980 because of the Iranian crisis. He said the drilling account could also be in danger of profits erosion.

The major 1980 loss, the capsizing of the Alexander L. Kielland in the North Sea, is likely to be substantial.

Against other forecast trends, Lloyd's aviation business for 1978 and 1979 is expected to show a marginal increase over previous years after what was described as the "dismal" picture of the state of the market with a loss ratio for 1977 at 99.18 per cent—the highest performance in 30 years.

Lloyd's motor premiums are likely to rise by around 10 per cent in two stages next year. The account contributed £5m to overall profits and reinsurance against 11 per cent in 1976.

## Methods of measuring bank capital defined

By Roman Eisenstein

Banking Correspondent

In a further move to implement last year's Banking Act, the Bank of England has issued its first definitive document on banking supervision. The *Measurement of Capital* sets out to define the elements of a bank's balance sheet, which constitute its capital base to enable assessment of the level of risks undertaken.

The document departs from an earlier draft on several "important" matters. The Bank states that capital adequacy differs with each institution and that a flexible approach must be used. It specifically rejects a too inflexible numerical approach to the capital needs of all banking institutions.

The banking community had been unhappy with the earlier draft because it treated all banks similarly and took no consideration of their different needs or the nature of their business. The final document has been generally welcomed.

The Bank describes two methods of measuring capital to which the Bank will attach particular importance. One, the gearing ratio, is similar to the traditional free capital ratio, which is effectively the share of capital readily available to

meet contingencies as a proportion of liabilities.

The gearing ratio will be calculated from published balance sheets and is therefore readily available to depositors and other creditors.

The second ratio, the risk asset ratio, had already been introduced for discussion in 1975. This modified version closely resembles methods already in use in some continental countries. While the Bank clearly regards the risk asset ratio as the more useful of the two, it acknowledges that some information will not be available to the public.

Essentially it consists in giving different risk weighting coefficients to assets held by the banks. No weight is attached to assets such as banknotes and balances held by the Bank of England because there is no risk involved. On the other hand unquoted investments carry a 1.5 risk factor, and property a risk coefficient of 2.

The risk asset ratio is then calculated as the ratio of capital over the total of risk assets as weighted by their respective coefficients. The higher the ratio the less risk involved.

The needs of each institution will differ, clearing banks, for example, will carry a different risk asset ratio from a merchant bank which runs a different type of business.

## Changes to scheme for unlisted market

By Our Financial Staff

Proposals for the development of an unlisted securities market for smaller companies, significantly different from those published last December, will go before the Stock Exchange Council on September 16.

The new proposals, drawn up after comment and suggestions from interested parties, envisage allowing a stockbroker sponsoring such a company's shares to act in a dual capacity by making a market in an unlisted security in some cases as well as acting as a broker. In general, the Stock Exchange insists on a division between the functions of market maker and broker.

The proposals are expected to be approved by the Council in two weeks' time and then passed to the Council for the Securities Industry.

The original idea of adding a third tier between the Rule 163(2) market and a full listing—a nursery market from which companies would progress to a full listing—has been abandoned.

Instead, the new proposals favour curtailing the Rule 163(2) market and introducing an unlisted securities market with no requirement that com-

panies should move up eventually to a full quotation.

In contrast to the original proposals, listed companies would also be allowed to move down to the unlisted market with shareholders' approval.

In response to criticism that the level of regulation intended was too high, entry requirements to the unlisted market have been toned down.

Only a tenth of the equity instead of 15 per cent would have to be in public hands and no formal accountants report would be needed.

However, although entry requirements to the new market are less stringent than under the original discussion document, companies would have to sign a general undertaking which would be substantially the same as the listing agreement. The main difference would relate to acquisition and disposal of shares.

The Stock Exchange, which is due to defend its single-capacity system before the Restrictive Practices Court, proposed allowing approved stockbrokers to act as a market in an unlisted security if two jobbers are unwilling to do so. Under rule 8(1) a similar permission can already be given for listed securities.

## BNOC overseas plans

By Our Correspondent

France and Dubai are the two areas overseas in which the British National Oil Corporation is planning offshore oil activities, Mr David Howell, Secretary of State for Energy, revealed in Glasgow yesterday.

A BNOC spokesman said later that until more details of the negotiations were known, it could give no further details. Mr Howell said that as far as Britain's oil programme was concerned, the North Sea was one of the most productive areas in the world.

## ALLNATT LONDON PROPERTIES LIMITED ANOTHER SUCCESSFUL YEAR

The 19th annual general meeting of Allnatt London Properties Limited was held on 4th September, 1980, in London, Mr L. H. Smith, Chairman and Managing Director, presiding.

Shareholders will appreciate my pleasure in reporting that the Company has enjoyed another successful year, and that the forecasts I made in my last Statement were, to say the least, conservative.

Rents receivable during the year were a little short of £61m, and interest on cash deposits was again higher than last year by £300,000. At the end of the year the rent roll just exceeded £71m. Profit before tax was over £5m, and the reserves are now over £9m.

I think, however, it is prudent to say that increases in the rent roll can be misleading. Whether a new development is completed and becomes rent-producing shortly before or after a year-end there is an effect on the results of two financial years. A rent review on a high earning property will increase the rent roll, not only in the year in which it occurs, but in succeeding years as well, although it will only affect the percentage uplift in the year in which the review is operative. A similar situation arises with first lettings.

The recent minimal reduction in lending rates is a welcome step in the right direction.

Forecasts  
The outlook for the Company continues satisfactorily and I anticipate that for the year to 31st March, 1981—

(a) Rents receivable will be about £51m.  
(b) The rent roll will approach £58m at the year end.  
(c) Interest received will be down by more than £200,000.  
(d) Before tax profit will exceed £5m.  
(e) Retained profit will be sufficient to cover the £11m. The Report and Accounts were adopted.

Dividends  
The final dividend proposed is 3.2p per share which, with the interim dividend of 0.5p per share already paid, makes a total of 3.7p, an increase of nearly 15% on the equivalent for last year.

### PRICE CHANGES

Rises		Falls	
Aerona & Gen	42p to 45p	UK Lend Lease	2p to 7p
Bank of India	2p to 17p	Barker & Dobson	1p to 10p
CSR Ltd	2p to 25p	BET Ltd	5p to 14p
Gencor	51p to 50p	James & Sons	6p to 17p
Global Nat Res	45p to 54p	Jardine	5p to 10p
Falls		Rises	
UK Lend Lease	2p to 7p	Bank of India	2p to 17p
Barker & Dobson	1p to 10p	CSR Ltd	2p to 25p
BET Ltd	5p to 14p	Gencor	51p to 50p
James & Sons	6p to 17p	Global Nat Res	45p to 54p
Jardine	5p to 10p		

### THE POUND

Bank buys		Bank sells	
Australia \$	1.02	2.45	
Austria Sch	31.45	29.75	
Belgium Fr	35.85	66.75	
Canada \$	12.63	12.65	
Denmark Kr	13.63	12.65	
Finland Mk	9.15	8.70	
France Fr	10.25	9.30	
Germany DM	4.61	4.21	
Greece Dr	138.50	93.50	
Hong Kong \$	12.25	11.65	
Ireland £	1.76	1.72	
Italy Lit	2105.00	2010.00	
Japan Yen	250.00	250.00	
Netherlands Gld	4.80	4.58	

## Ton-up peer seeks City finance to back £4,000 140mph machine For sale: shares in the Hesketh superbike

Thomas Alexander, the 29-year-old Winton third Baron Hesketh has already lost a cool million pounds in Formula One motor racing and cynics said that he was on the way to getting rid of another £1m on Hesketh motor cycles.

Now one cannot be so sure. The man who ran away from Ampleforth, once sold second-hand cars, did investment banking in San Francisco and who was motor racing for patriotism and fun rather than money, is poorer and as a consequence is always "refers to making money and not so much to spending it."

Hesketh Motorcycles looks as if it could be a force to be reckoned with. For a start it should soon have capital. This venture has Sir Barrie Heath,

former GKN boss, as chairman, a man who generally confesses that he has not ridden a motor bike since he knocked down a brigadier at the end of the war.

He also points out disarmingly that Lord Hesketh has never had someone in charge of the new production programme, while the technical director is Mr Geoffrey Johnson, who comes to the new group from Austin-Morris and, before that, British Racing Motors (BRM). Lord Hesketh is an old Shuglue Estates and Richard Johnson and Nephew man, and looks after the money.

They have already spent

£520,000 on the new bike and the group, through Venture Link, an associate of Foreign and Colonial Investment Trust group and stockbroker Grierson Grant, is offering 1.8 million shares at 80p a share.

If successful this will provide Lord Hesketh with around £1.3m, enough to pay off bank borrowings and bring the bike to production. Dealers who will be carefully chosen for after-sales service, should have the V1000 for testing next spring. Production should begin in the summer. The 1000cc superbike will cost £4,000 and be capable of 140 mph and 50 mpg.

The group claims to have bought and tested every competing superbike and, since the Davenport factory is only an assembly operation, it thinks it

has enough money until output reaches 2,000 bikes a year. That looks some way ahead, even if Goliath bikes are only 1 per cent of the world market and only 5 per cent of United Kingdom business.

Apart from Foreign and Colonial, seven other investment trusts are underwriting the venture, and with a little bit of patriotic arm-twisting the offer should succeed. Only 35 people will be hired at Davenport to begin with, but this is, for the financially minded, a value-added and not a labour-intensive enterprise.

Thorne Skyships and Rolls-Royce Motors are the only other groups that come to mind as forerunners in patriotic arm-twisting. You have been warned. Peter Wainwright



## Money from oil producers eases problems of current account deficit

## Petrodollars flowing into Japan

The flow of petrodollars into Tokyo, mainly from the Middle East, is helping Japan to pay its oil bill and cover its current account deficit which last year was \$13,000m.

The \$2,500m overall surplus registered for August, it is estimated, was more than \$1,000m for oil-based resources and of this between \$600m and \$800m is believed to have been invested in securities.

This is more than double the previous highest surplus balance recorded in July and equals the surplus balance recorded in 1969.

Purchases in August were concentrated on shares of main Japanese companies such as Hitachi, Toshiba and Nippon Steel. The main buyers were Kuwait, Saudi Arabia and the United Arab Emirates.

In the bond market the surplus balance on foreign purchases in August was estimated at \$500m of which 60 per cent is believed to have originated from oil-producing countries, especially those in the Middle East.

The "free yen" accounts, of which 50 per cent is believed to be petrodollars, are just as active. The net increase in August was estimated at \$800m compared with the \$600m net growth registered in July.

Apart from transactions by securities companies and the Bank of Japan foreign exchange banks have been selling a lot of bonds to oil-producing countries.

About 100,000 yen (£190m) worth of national bonds, held by banks, have been sold to these countries between June and August. These banks are said to include the Bank of Tokyo, the long-term credit Bank of Japan and the Sumitomo Bank.

It is estimated that the 100,000 yen worth of sales was about 20 per cent of the total bonds sold to these countries during the same period. Sales through securities companies were about 60 per cent and the Bank of Japan sold the remaining 20 per cent.

Since April foreign purchases of public bonds have left surplus balances of more than 100,000 yen each month. In July, the surplus balance was estimated at

170,000 yen of which two thirds was bought by oil-producing countries.

The foreign share in the 132,000,000 yen bond market at the end of 1979 was between 5 and 6 per cent.

The total of oil money resources in Japan is estimated at \$10,000m which is less than 10 per cent of the April world surplus of petrodollars.

Bank deposits account for 45 per cent of the Japanese petrodollars, 20 per cent in securities markets, 15 per cent in bond market and the rest in real estate and other areas. About 156 million shares were believed to be held by oil-producing countries at the end of 1979.

Mr. Kojima, who has been in charge of the vulnerability of the economy in 1979, oil consumption had to be cut by 20 million tons or 7 per cent. Three quarters of this oil was available from the very countries which have poured petrodollar resources into Japan.

Koji Nakamura  
in Tokyo

## Administration of Southwark fund

From Mr. Andrew Smith, Southwark Council, who has been asked to answer questions from Lord Seabrook and Mr. Eekersley (August 13 and 22).

Not only have I recently secured a small business in Southwark, but also I applied to the process to the Southwark Fund.

My experience in this leads me to completely endorse the Eekersley's comments about the inadequacy of Southwark in administering both its industrial fund and its general rating policy. Although we rent a new industrial unit from the council, our year-on-year rating is nearly 80 per cent of our rent - a figure by any standards.

Our application to the fund was drawn out over six months, and in addition to an exceptional amount of our time being demanded in the preparation of our presentation, the council retained the services of Price Waterhouse as advisers. These costs, which were not included in the preparation of our report, at presumably a very great cost, as any of their own clients would know, to either them or the council, are not least from the Southwark Fund.

In spite of this, no one has been prepared to invest until we receive orders large enough to make the business profitable. The fact that such orders would very likely result in our no longer needing advisers is not an important factor.

At least, after all our efforts, I have at last discovered the key to raising money in the City - and that is, not to need it, then you will be offered it, in plenty, not least from the Southwark Fund.

ANDREW SMITH, For Amsted Systems Ltd, As from Unit 8, 100, Road Industrial Estate, London SE16.

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## Chairman's contribution at Movitex

From Mr. J. A. B. Keadgrave

Sir, I refer to your article regarding Movitex in Business News (September 3) which, add large, is a fair representation of fact. I would, however, draw your attention to a statement that the chairman was unavailable for comment. As has been playing golf. I think it fair that following facts should also be reported:

1. I am a full time chairman and chief executive of Web Lawrence Limited.

2. I have been a non-executive chairman of Movitex at invitation of the company brokers since November 19 and have worked very hard after hours as well as at work in order to save the company.

3. I have neither claimed nor received one penny piece of my services throughout whole of that period.

4. To be accurate, I was playing golf in Bath as a guest of the Knightsbridge Housing Corporation with whom Web Lawrence has business dealings, and it was an invitation issued in August of last year.

Yours truly,  
JOHN KEADGRAVE,  
Chairman and Chief Executive,  
Web Lawrence Limited,  
Lawrence House,  
Sun Street,  
Hertfordshire CM21 9LX,  
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## More Lucas staff face redundancy

By Our Industrial Staff

More redundancies and short time working are the ways at Lucas Industries. Lucas Girling, one of the United Kingdom's major brake manufacturers, is discussing production cutbacks with shop stewards which could lead to a combination of redundancies and short-time for many of its 7,600 employees.

A second subsidiary, Lucas CAV, Europe's leading diesel pump and injector supplier, is introducing a three-day week from Monday for 850 of the 1,600 employed at its Fitchley, North London, plant.

Three months ago Lucas announced 3,000 redundancies in its car electronics factories. Some 2,500 of these have already been achieved as a result of natural wastage and voluntary redundancy.

Last night a Lucas Girling spokesman said the company had no alternative but to reduce activity levels in all its United Kingdom manufacturing establishments.

A further 150 workers are being made redundant by the Perkins Diesel Engine Company at Peterborough. The cutback will involve administrative staff from all departments and comes six weeks after the company announced that 900 production workers are to lose their jobs.

Caplin Engineering Limited, of Ipswich, a silicon chip machine sales company yesterday sacked its entire work force of 40. Mr Brian Robertson, the managing director, explained: "Sales have dropped to zero because of the world-wide business recession and high exchange rate of the pound."

He called on the British Government and British members of the European Parliament to press for the withdrawal of the proposals. If necessary, he said the legality of the Commission's plans should be referred to the European Court.

The Institute, which has been expressing anxiety about the implications of the directive for

## UK campaign grows against EEC plan for worker directors

By Patricia Tisdall, Management Correspondent

Fresh evidence that a British employers' campaign against EEC proposals for worker directors is gathering momentum emerged at a conference given by the Institute of Directors yesterday.

The reaction of top company chairmen to an Institute document on the EEC Fifth Directive shows strong support for the campaign. Five of the 10 largest companies have confirmed their opposition to legislation implementing the draft directive, and at least a dozen of the chairman of other big companies listed in The Times Top 100 have indicated that they too share the institute's concern.

Mr Walter Goldsmith, the Institute's director general, accused the EEC Commission yesterday of "attempting to smuggle worker director and works council proposals through the EEC system in a directive dealing with technical aspects of company law".

He called on the British Government and British members of the European Parliament to press for the withdrawal of the proposals. If necessary, he said the legality of the Commission's plans should be referred to the European Court.

The Institute, which has been expressing anxiety about the implications of the directive for

some time, was joined last month by the Confederation of British Industry.

The CBI supports the European Parliament lobby, led by Mr Amédée Turner, the vice chairman of the legal affairs committee of the European Parliament to dilute the original plan to compel companies to appoint worker directors.

The Institute of Directors, however, also rejects the compromise known as the "German draft" produced by Mr Turner's committee which is expected to go before the European Parliament within the next few months.

This offers four options to companies which do not wish to impose two-tier boards on companies.

The directors believe that voluntary consultation and participation by employees is best for British companies. They say that worker participation must evolve from a sound shopfloor base to be effective.

The Institute rejects the British option of a compulsory works council and a single-tier board which is contained in the revised directive on the grounds that it would establish an adversarial system.

"It opens the door to formalized strife and conflict in every public company, with key decisions on the company's future being considered by rival bodies", Mr Goldsmith said.

It remains to be seen whether supplies will be forthcoming because the resale price maintenance legislation does not cover that point.

Mr Gordon Barrie, Director General of Fair Trading, is conducting an investigation into TI Raleigh Industries, the cycle makers, whose criteria for deciding to supply cycles to retail outlets are under scrutiny. If Mr Barrie refers the case to the Monopolies and Mergers Commission it is expected to be the first test case under the Government's new legislation over a manufacturer's refusal to supply cut-price outlets.

Mr Barrie's investigation teams have been looking closely at commercial "super" and it would be open to him to investigate a single company on the pattern of the cycle investigation or to refer the whole sector for investigation by the Monopolies Commission.

## Revlon and Shulton assure OFT on prices

By Derek Harris, Commercial Editor

Revlon International Corporation and Shulton (Great Britain), both cosmetic subsidiaries of United States-based companies, yesterday gave assurances to the Office of Fair Trading that they would not establish minimum prices for the retailing of their products in Britain.

The move, under legislation governing resale price maintenance, is being regarded as a tailer, neither will impose minimum price levels to prevent price-cutting below such levels.

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## Merely the closing prices?

World-wide coverage of political, economic and social events, its famed unbiased reporting and its legendary attention to accuracy all combine to earn The Times its reputation as 'the newspaper of record'.

Now, The Times Business News is making a new contribution with its Stock Exchange Prices.

These utilise the new Extel Share Price System (EPIC) which transmits to The Times, automatically, and with computer accuracy.

The Times is the only national daily newspaper with a direct computer link to the Extel System.

Which means that The Times Business News gives you not merely the prices at close of business, but at 5.00pm - and with computer accuracy.



**THE TIMES**  
BUSINESS NEWS  
to keep you accurately informed.

## Cadbury Schweppes Limited

Interim Statement  
Results for the 24 weeks ended 14 June 1980

	Half Year 1980	Half Year 1979	Year 1979
	£m	£m	£m
Group sales	486.6	455.9	1,006.0
Group trading profit	29.2	27.3	70.7
Group profit before tax	21.0	21.7	57.3
Taxation	5.9	5.4	17.8
Group profit after tax	15.1	16.3	39.5
Dividends	4.5	3.5	14.3

Points from the Statement by Sir Adrian Cadbury, Chairman

- \* Trading profit £2m up. Pre-tax profit £0.7m lower due largely to increased interest.
- \* Increase in UK trading profit mainly from Drinks, Tea and Foods; Confectionery held its own in spite of VAT burden.
- \* Investment in North American business improving market share.
- \* Australian progress continued and impressive performance from South Africa.
- \* We are confident that we shall continue to strengthen our market position.
- \* Interim dividend of 1.20p declared.

Copies of the full Statement will be sent to all stockholders and further copies are available from the Secretary, Cadbury Schweppes Limited, 1-10 Connaught Place, London W2 2EX.

Cadbury Schweppes Limited, 1-10 Connaught Place, London W2 2EX



BY THE FINANCIAL EDITOR

## BP struggles behind the scenes

Not for the first time, the stock market was thrown into turmoil following publication of a set of quarterly figures from British Petroleum. There had been broad expectations of net income in the second quarter of below the £300m mark. When BP turned in historic cost net income of £371m, 54 per cent up on the same quarter last year though 261 per cent below the first quarter of 1980, buyers came in for the shares.

By the end of the day however that enthusiasm was proved wrong, stripping out beneficial distortions shows that the second quarter was indeed as bad as the recession wears on, causing serious damage to BP downstream profits, trading will get worse as the year progresses.

By the end of trading then BP's shares were 4p off at 348p and unlikely to find much favour this side of the Opec meeting later this month when a Saudi decision to bring prices into line at \$32 per barrel would make BP's crude from Alaska and the North Sea that much more competitive.

As ever, the distortions which helped the second quarter are difficult to identify accurately, but the sums are large. In the North Sea, for example, production is slightly down against the first quarter, but sales, reflecting very heavy de-stocking of crude after the first quarter, are sharply up to judge by a substantially higher petroleum revenue tax charge.

In turn, though, the United Kingdom Corporation Tax charge, which might have been expected to have been £100m higher, is only £40m more. In addition there have been losses in net income terms over the half-year of £57m on the sterling/dollar translation, the second quarter may have benefited to some extent from BP's cleared back-unrealized currency losses made provided earlier in the year by its European associates.

These, and the last tranche (for the moment anyway) of stock profit amounting to £170m, are factors which will not be available for the remainder of the year. While BP's profits are likely to be helped, at least in the short-term, from more regulated prices and production which may follow the Opec meeting, its downstream activities, undermined by awful returns from chemicals and plastics, remain a matter of concern.

### Costain Different postures

Costain's interim figures show how it is going through a period of consolidation and diversification during which profits and dividends will grow only slowly, if at all. Interim pretax profits are £15.2m compared with £12.2m last year. By its last year's property sales profits of £1.95m, it included, the underlying position is much the same, with general trading bringing in £15.3m compared with £15.2m.

The order book seems to be holding up well; the current total of £490m is almost identical with six months ago. But its composition is changing, with a higher proportion coming from shorter-term work such as sub-contracting on natural gas installations in the Middle East and the United States.

But as the group's interests expand—the latest development being the bid for County and District Properties—the order book becomes a less precise measure of Costain's condition. At the moment, for example, it includes the long term contracts for the sale of Australian coal to Japan, and the afforestation business. With more than £70m in net cash available, Costain will in two or three years also have a sizeable stake in other parts of the energy sector.

However, shareholders will have to be patient. The dividend has been held at 5.7p gross, and the final will probably be 7.5p, again the same as last year. On a share price of 182, down 4p yesterday, the prospective yield is 3.9 per cent.

### Cadbury Schweppes Much depends on Christmas

Cadbury Schweppes interim profits were rather better at £11m pretax than the market had expected. But the market's 8.7 per cent decline in the United Kingdom chocolate confectionery market, de-stocking by retailers, in the first six months of 1980, and shrinking United States margins on confectionery.

Help came in the first half from good drinks sales, but the cool summer bodes ill for sales of Schweppes over here and in Europe. The normally important fourth quarter will be crucially important for the Christmas sales of confectionery will be under United Kingdom retail outlets are confirmed in the first fortnight of December.

There is little prospect of an improvement in the confectionery market here for

the moment, but Cadbury has kept its market share up. In the United States, Peter Paul Cadbury are not put up prices until market giants Mars and Hershey do, and margins have now been under mounting pressure for 18 months, although the company has pushed up its sales volume.

North American trading profits were halved to £0.9m, after knocking out £600,000 of royalties that have expired since mid-1979. But the group says it now has a sound base in North America in confectionery and drinks.

United Kingdom trading profits rose 11 per cent to £17.2m, out of a £29.2m total. Other overseas operations improved their contributions. Meanwhile, Cadbury Schweppes remains committed to its long-term plans for automation, and to intensive marketing expenditure. Interim borrowings are 10 per cent up on their mid-1979 level, and at the year-end will be above the end-1979 net figure of £112m. Interest costs were 29 per cent higher at £11.1m. The group plans to spend some £125m on the automation of United Kingdom confectionery manufacturing alone over five years, at the cost of 3,000-5,000 jobs.

Clearly, the full year results depend heavily on Christmas drinks sales in the United Kingdom. But the market was encouraged by the interim figures, and pushed the shares up 3 1/2p to 65 1/2p where they look sound enough, and where a maintained dividend would yield 8.4 per cent—the interim rise of 26 per cent is to even out the size of payments across the year. If last year's £57.3m pretax profit can be repeated, the fully taxed p/e ratio comes out at 9 1/2.

### Charterhouse Fundamental changes

So much has happened at the Charterhouse Group since the interim results were struck at June 30 that the figures are of historical interest. Never the less, they give some clues to the second half.

The first point to note is that the two-thirds improvement in pre-tax profits to £7.56m before the contribution from Charterhouse Japhet, the accepting house part of the group, comes mainly from oil-related interests.

These produced more than threefold improved profits from £1.1m to £4.5m. The only other part of the group to show an improvement before taking the bank into account, is the manufacturing division which consists of a string of companies in which the group has a greater or lesser share.

Manufacturing profits are up by 50 per cent to £3.9m and in spite of the recession should show some further improvement in



Nigel Hobbs, chairman of the Charterhouse Group.

the second half. Insurance broking is slightly down at £1.1m though up on the second half of last year while Development capital is marginally down, too.

The bank which had a £3m capital injection last December has doubled its profits to £1.1m on the back of successful bullion dealing and good corporate finance fees. This year after the absorption of Keynes, Ullmann it will be a transformed animal. Last year's KU made £4m and this year it will contribute for five months to Charterhouse results. On the assumption that KU contributes, say, £3m the bank should make net profits of between £4m and £5m.

Half of the oil interests have been sold to the public for £28m which are being ploughed back into the oil company. Glaxo, Envothen, the insurance-broking company, has been sold for £11.7m so only interest on that sum will be accruing to Charterhouse. This suggests a fully taxed p/e ratio of nearly 13 with the price at 97p. How the shares go from now on will depend how fast and how well Charterhouse digests Keynes.

Paris, Sept 4

It threatens to be a long hot winter in France if the country's largest and best organized union is to be believed. British holidaymakers left turning at Channel ports have been no more than a fortunate escape from the French cost of living, little short of desecration. They are clearly nothing more than electioneering.

It is therefore interesting to find that the initial response to the Communist Party has been favourable, although with a twist. The main story in the party's newspaper *L'Humanité* would seem to be quite satisfied—or rather self-satisfied—with the newly announced bonuses.

A thousand million seized by the struggle, screams the headline. The clue to the story is that *L'Humanité* is so anxious to pass M Barre's measures off as an early victory for the trade union movement, the CGT's urgent need is to try to ensure that union militants are prepared to carry on or, more accurately, start agitating throughout the months to come.

Although it is only partial, this success shows once more that action pays off, the paper says. The question posed by that comment is: "What action has been taking place?" The answer is: "Precious little."

The fishermen's strike is a good case in point. It began as a dispute involving only the

unionized Boulogne fishermen, but that action attracted little attention. In fact the Boulogne fishermen are not even on strike. They are locked out in that they are not being allowed to put to sea by the fleet owners unless they agree to crew reductions.

The blockade of the ports, which grabbed the public's and the Government's attention, was not mounted by the unionized fishermen but by the small boat-owners, trawlermen, for the most part non-unionized, who were making use of the Boulogne dispute to add weight to their own worries about the future.

This provides the key to the CGT-suggested long hot winter to come. It is not the unions who threaten the industrial peace of France, but the state of the economy and the growing militancy of the self-employed and the white collar workers. Discipline and organization inside the French unions is not high and their power tends to lie in the ability to argue politically rather than in their undoubted ability to stage massive one day demonstrations.

The state of the French economy, compared with the time when M Barre took over four years ago, is not particularly good. The latest figures show that inflation is now at 13.7 per cent; unemployment is up 9 per cent to 1,331,000; and

the Socialist Confederation Francaise Democratique du Travail (CFDT). The CFDT, which is increasingly attracting members by its militancy, is nevertheless fiercely opposed to the close political links between the CGT and the Communist Party.

The result is that while the CGT is being used by the Communist Party to stage strikes and demonstrations to discredit the Government, the CFDT tends to pick its fight when it believes it has economic reason to do so. Thus the CFDT led the way into the fishermen's dispute and when non-union members won concessions from the Government, the union prepared to end its strike. At the same time the CGT, having seen how much the strike upset the Government, was reluctant to end the dispute even when it knew its members in the industry had nothing more to gain.

M Barre said confidently today that he just did not believe that there would be a long hot winter of industrial disputes. For just so long the Government union movement being at loggerheads with itself he can be sure of that. And the one thing reliable about the trade union movement in France is its time-honoured ability to be at loggerheads.

There was a July balance of trade deficit of 5,000m francs (£500m). If those figures look good from the British side of the Channel it is only because they are comparatively good compared to Britain. The French government, as it prepares for the presidential elections, must be far from pleased about them.

The one thing it can be pleased about, however, is the continuing and even growing discord between the Communist CGT and its only serious rival, the Socialist Confederation



M. Raymond Barre: "No reason to believe there will be a long hot winter of industrial trouble."

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Ian Murray

## Should the training boards be scrapped?

Patricia Tisdall

Do industrial training boards have a useful function? Many employers believe they do not. If it seems likely that the Government implements the recommendations made by the Manpower Services Commission a month ago and shifts all the costs on to industry, it seems inevitable that some, if not all, the boards will go. This is because industrialists will be unwilling to foot extra costs which this year would have amounted to about £51m.

At first sight, this loss as a whole seems to be a small one. But it would leave few mourners. Industrialists have always hated paying the compulsory levy with which the boards spread the costs of training. More fundamental is the deep rooted suspicion among employers of the aims and objectives of the boards, which are run by committees consisting of employee representatives and educationists as well as employers. Their role is to meet all types of training needs in the industry.

The partnership has never run smoothly. All sides expressed dissatisfaction with the boards in representations to the review committee which produced the commission recommendations. The unions have information on training provided by companies to the boards to be made freely available to trade union work-

place representatives. They also suggest that the boards should establish statutory training committees at plant level. The TUC would also like a return to the pre-1973 system, under which all employers paid a levy but some got a refund in the form of a grant.

Educationalists are upset because they believe that they are junior partners on the boards. They also said that the board's industrial focus had hindered much needed co-operation with local education authorities.

It can be argued that the boards' strategic function in relating training to economic needs and developments in technology has been superseded by the Manpower Services Commission, which has gradually been increasing its involvement in these areas. The 1973 Training Act, which inserted the commission as the controlling authority between employers and the Department of Employment, also brought direct changes to their responsibilities and funding.

The changes added friction to the already abrasive relationships between the boards and industrialists. From the outset, employers perceived certain commission policies—such as vocational preparation for young people in employment

and increased emphasis on the training needs of women—as mainly social in motivation.

Secondly, from 1975 when the 1973 Act arrangements came into full effect, the financial position of the boards was very different from that which had applied under the 1964 Act which created them. The requirement for the boards to exempt from paying a levy companies whose internal training arrangements were considered satisfactory has meant a steady decline in income from industry and a proportional fall in the boards' funds. All the boards are now wholly or partly dependent on Exchequer funds for their operating costs.

Last year tension between the boards, the Manpower Services Commission and employers reached near crisis point, when training programmes which already had been agreed had to be cut, in line with the Government's public expenditure reductions. Problems have also been caused by the requirement that the terms of conditions of employment of the boards' staff should have the endorsement of the Depart-

ment of Employment and the Civil Service Department. The ensuing delays did not help the boards to recruit and keep high calibre employees.

It was the desire to reverse the alarming decline in the relationship between the boards and the Manpower Services Commission which led to the recommendation to shift the operating costs to industry. The intention is that the boards would then be more accountable to the industries they serve and more responsive to their requirements.

The suggestion is likely to appeal to the Government, because it would top £51m of public spending. The Confederation of British Industry, has said, however, that its members would not be willing to pay more for the boards in this period of recession.

A survey of 50 companies by Incomes Data Services found that the majority were dissatisfied. Very few thought that the boards helped their particular business.

The problem is that, inadequate though they may be, there is no obvious alternative to the board's tripartite approach to training. Against all odds, the framework which brings together trade unionists, employers and educationists

has survived for 16 years. Any new bodies would take time to win credibility and influence. There would inevitably be teething problems and mistakes during a critical period for British industry.

It is difficult, however, to argue a strong case for the boards' retention on the grounds of value for money. In any case, about 45 per cent of employees are outside the scope of the boards. Apart from employees in local and central government and nationalized industries, they include quite large private sector services such as banking and insurance, as well as shipping and hairdressing.

The Department of Employment has called for comments by October 20 on the Manpower Services Commission recommendations and indicated that new training legislation is planned for next year's parliamentary session. But an indication that ministers are already aware of the implications is contained in a remark by Mr James Lester, Under Secretary for Employment, when he said in a recent parliamentary debate that "some boards are doing extremely good work... We must ensure that we do not lose the baby with the bathwater"—if changes are implemented.

### Technology

## Aircraft design: getting more out of less

A nine-foot increase in wingspan on the Lockheed Tristar airliner hides a significant advance in aviation technology. It marks the debut in commercial service of a new concept in aircraft control which is likely to have a growing impact on aircraft design.

It offers greater efficiency—and hence fuel economy—at the price of discarding some long-held assumptions.

"Active controls" is the name of the new technique. It extends automatic, in-flight control in a subtle way, enabling the design of aircraft to be refined to an extent which was not previously possible using traditional aerodynamics and load analysis.

One way of increasing the aerodynamic efficiency of an aeroplane is to increase the wingspan. This has the effect of reducing the drag (the air resistance), but the extra structure means extra cost. And the wing structure must not only be extended at the tip; it must be strengthened at

the root because of the increased loads there.

Lockheed adopted active aileron controls for the Tristar 500 in order to gain the benefits of the longer span without the cost of a heavier structure at the root. The ailerons are movable control surfaces on the trailing edges near each wingtip which are used for roll control.

When the pilot moves the control column to one side one aileron moves up and the other moves down, causing the aircraft to roll to one side (coupled with rudder movement, this gives a coordinated turn).

Of the various loads and forces experienced by an aircraft in flight (and on which its structural design is based) the most severe are the unexpected gusts which hit the machine so suddenly that the pilot—or the autopilot—has no time to react. The structure has to be strong enough to absorb these gusts. The longer span wing would normally impose higher gust

loads on the wing root structure.

Lockheed avoided the need to strengthen the structure (and so incur a weight penalty) by arranging that both ailerons should move upwards immediately a gust is sensed. The effect of this is to reduce the lift over those outer parts of the wing, and so relieve the wing-loading on the root.

Thus the extended span wing bestows the desired efficiency, contributing to fuel conservation, while the active aileron controls alleviate the effect of gusts, so minimizing the weight penalty.

Lockheed sees this as the first of a series of active control systems which can be applied to a wing of lower strength than would otherwise be needed and the lower strength is acceptable because the large loads resulting from large gusts are alleviated by this system based on sound principles, but how do you prove that it is safe?

In the United States the Federal Aviation Administration has already certificated the Tristar 500. British Airways' aircraft, from an early hatch which have yet to be modified to incorporate the active controls, are still in the process of being certificated by the CAA.

provided that pilots and designers can take a deep breath, swallow hard and accept the fact that the aircraft's stability will increasingly be provided artificially by active controls.

For the airlines, the use of active controls in their aircraft could cut direct operating costs by between 5 and 10 per cent. But the new benefits pose crucial new problems in establishing the airworthiness of the automated systems involved.

The airworthiness problem, now being faced by the Civil Aviation Authority in certifying British Airways' Tristar 500s, goes something like this: active controls allow the use of a wing of lower strength than would otherwise be needed and the lower strength is acceptable because the large loads resulting from large gusts are alleviated by this system based on sound principles, but how do you prove that it is safe?

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flight testing. The system can be shown to respond as it is designed to respond. But do these responses actually relieve the load in detail, as predicted? This is the key question.

A full immediate answer would depend on a more detailed knowledge of the atmosphere than is available at present.

To build up a complete picture, the CAA will continue after certification to monitor the operation of the Tristar 500 in service with British Airways. The authority does this already, with other BA and British Caledonian aircraft in a general way, involving regular computer analysis of the information held on special flight recorders carried on board the aircraft.

In this curious, painstaking way, a new realm of aircraft control—a design is beginning to be embodied. The Tristar 500 may well be followed by active control versions of the European Airbus and the British Aerospace One-Eleven. In a dual sense, the size and weight of aircraft to carry a given commercial payload is likely to be reduced.

Kenneth Owen

## Business Diary: Metro's briny launch • Disappearing Customs

Our old BL has taken a lot of stick for chartering a 25,000-lb luxury liner to take 12,000 dealers on a two-day price-cutting tour of the new Metro. The first party of 400, sailing on Liverpool this evening, so far is as good a time as any to set the record straight. There is plenty of winning and winning—that is traditional at all sales launches—but this time will not be entirely at the taxpayers' expense. Every dealer contributing £125 towards the cost and if he takes his wife and child he has to throw in an extra £50.

Inevitably, someone will say as the demand for payment is belated attempt by BL to ward off some of the criticism from the junket. Not a word of it. Last night a BL executive insisted: "It was our intention from the start to ask dealers for a contribution. We have not publicized this because we are not sure of the details of new car launch operations are traditionally confidential."

The Visagard is bound for Douglas, Isle of Man, where it is to be used as a floating hotel conference centre for 15 days of lectures on the new car. Tomorrow the dealers will be 80 cars around a test circuit including the notorious motor cycle route.

One of the most astonishing sights I have witnessed in recent weeks was that of the solitary customs man posted in the "nothing-to-declare" section at Gatwick Airport who confronted the couple of hundred passengers of whom I was one, stepping off a jumbo from Hongkong.

The poor soul could only watch in despair as the border-guarded past safely, clutching their illicit contraband. The man looked so miserable that I nearly offered him my British bought calculator in consolation.

This all arises from the Civil Service cut, apparently. Though the figures have not been made public, I can reveal that Gatwick's night customs staff has been cut by a fifth and the thin blue line at Heathrow has been reduced by a sixth.

At provincial airports, and some ports, the situation is said to be even easier for smugglers to get past the customs man. One of the few forces which has actually increased in size is that of the Gatwick day staff, though with more flights coming into the airport the move certainly does not increase the level of security.

There has also been no reduction in the size of the roving customs staff who are not tied to the declaration desks at Heathrow.



"Instead of completely banning the sale of booze on soccer specials, Sir, would it not be more democratic in a capitalist society to make rail fares so stiff that the lower order would have no money left for alcohol?"

If the merger between the troubled London Co-operative Society and the Manchester-based Co-operative Retail Services (CRS) goes through, the man who has been trying to sort out the London society's problems for 15 months will be quitting the London scene next year.

When Frank Doherty took on the chief executive job in London he simply doubled it up with his existing one as chief executive of the thriving Greater Nottingham society,



"The 500m-plus value compares with a £30m price tag Lloyd's expects shortly to be placed on the 747 jet."

Last year 19 Western built jet airliners, three of them wide-bodied, cost the world-wide aviation insurance market \$212m (about £93m). The year also produced two large claims on satellites. A communications satellite of RCA which went out of control and off deep into space, cost Lloyd's £25m.

The large difference between the figures is indicative that Lloyd's, despite being a pioneer in the field of satellite insurance, is fighting shy of taking sky-high risks in today's competitive climate.

A delay in the American Space Shuttle programme has put the world's biggest risk takers, the sky will no longer be the limit.

Lloyd's of London are quietly grateful. It has no wish at the moment, with the present cut-throat competition, to go chasing the business. But it has made some preliminary studies of what insuring a Space Shuttle might cost.

During the past year it heard from the president of the Space Shuttle development committee that the value of the shuttle itself is put at around £25m at this year's prices and the cargo could be valued at a similar figure.

The 500m-plus value compares with a £30m price tag Lloyd's expects shortly to be placed on the 747 jet.

Small wonder then, that a company spokesman is meeting inquiries with the coy reply that, while he cannot deny that negotiations are under way, it is premature to speak of contracts being signed.

The 900 workers at the Alfred Herbert machine tool factory in Edgworth, Birmingham, certainly know how to go about an industrial dispute with style. Yesterday they staged a sit-in in protest about the treatment of one of their colleagues by the company's new owners, Tooling Investments. Ringing the firm at 4 p.m. one of our reporters was told by the woman answering the phone: "Yes dear, there is a sit-in, but they're all gone home now. Can you ring them back in the morning?"

Political repercussions are likely if the talk about Industrie Buitoni Perugia's plans to send a few kisses to Colonel Gaddafi prove true.

According to local trade unions, Italy's Perugia-based IBP is sending 430 tons of hach, chocolate "kisses" to Libya.

IBP already has good relations with the Arab world—Saudi interests have a minority shareholding—but Libya's recent row with Italy's near neighbour Malta do not augur well for headlines such as "Kisses for Gaddafi".

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David Hewson

## Daejan Holdings Ltd.

Year ended 31st March 1980

Pre-tax Profits	£4,192,000
Earnings per share	17.02p
Dividends per share	3.50p

Mr. B.S.E. Freshwater, Chairman reports:-

- \* Rental income and property sales: were well maintained, despite adverse factors.
- \* Commercial properties continue to generate satisfactory income growth.
- \* Our new investment in the United States should produce some profit in the current year.
- \* I am confident that the steady upward trend in rental income will be maintained but profits will still be subject to interest rates and the level of activity in the property market.

Copies of the Company's 1st Report and Accounts may be obtained from The Daejan Holdings Limited, Freshwater House, 112, Abchurch Lane, London EC4N 3AP







## FINANCIAL NEWS

## BET holds dividend as profits rise by 5pc

By Catharine Guno  
British Electric Traction, the electronics and television group, reported a 5 per cent increase in full-year profits to March 31 at £7.11m after a flat interim performance. The dividend has been maintained at 10.8p.

Part of that rise came from an extra nine and eight months' contributions from Tames Television and Rediffusion Television respectively. The two companies have changed their year ends to March 31 after the acquisition of EMI by Thorn. EMI and BET each own half of Tames and Rediffusion Television.

The combined contribution from Tames Television and Rediffusion Television was £4.81m over the longer period. On the old year-ends they would have made £3.9m. Tames Television's profits suffered from a 11 week TV strike in 1979. Rediffusion Ltd, 50 per cent held by BET, had a more-or-less static year, so its contribution was flat. But other interests did better.

The Argus Press did particularly well in its year to end-December, but things have got very difficult for the publishing industry since then. Transport interests with a December year-end include the effects of January 1979's road haulage strikes.

Interest costs were over two thirds up at £21.5m but borrowings have risen considerably less than that. There was an extra interest cost of £240,000 on BET's 5 per cent share in a Phillips Petroleum development consortium in the North Sea, from which there will not be a positive cash flow for some time.

Group sales excluding investment income of £9.4m were up a fifth at £887m. Total pre-interest profits were £92.6m against £80.4m in 1978-79. The current year will not be easy, but BET remains confident about its long-term performance.

The deferred ordinary shares fell 8p to 142p yesterday where they yield 7.5 per cent. The premium on stated earnings is 5.8.

## Ladbroke-Reo Stakis

The gaming licence of Ladbroke's Dragonara Casino in Leeds, was transferred to Parnor Ltd, a subsidiary of the Reo Stakis Organisation, at a hearing before the Leeds Licensing Board yesterday. The Gaming Board had objected to a licence renewal by Ladbroke.

## Northern Engineering on course for £26m

By Peter Wainwright

Sales of Northern Engineering Industries rose by 36 per cent to £222m in the six months to June 30, enabling pretax profits to rise by 7 per cent to £12.55m. This seems to indicate that the group is still on course for profits of at least £26m for the year, against only £18.1m in 1979.

It is all a far cry from the plunge in profits from £30.5m the year before when the group suffered from losses at Rayrolle in electrical engineering, and from the engineering strike.

But a margin of profit to sales of 4.6 per cent leaves little room for error even though, as Mr Duncan McDonald, the chairman, points out, the latest figures represent a big recovery.

He now reports that in total orders are ahead of those at the end of 1979. There has been a good order intake this year in the mechanical engineering and mining divisions and the export contribution is growing. But in



Mr Duncan McDonald, chairman of Northern Engineering Industries.

some heavy electrical sectors demand remains weak.

Overall the group, which will be supplying the boilers for the Heysham and Torness nuclear power stations, is standing up to recession well. The group has important operations

abroad and their contribution to sales, profits and cash flow has gone up.

The leading overseas offshoot is in South Africa, where booming business is responsible for the explosion in minorities from £53,000 to £903,000 in the latest half year.

Net borrowings are negligible, and it is by no means impossible that profits may beat £26m this year and £28m next.

Northern is recruiting workers in some areas but making them redundant in others. Even so this important North Eastern employer, with 30,000 workers in the United Kingdom, is not contracting.

The shares rose 3p yesterday to 63p, a 1980 peak, because the figures came as a relief. The interim dividend is 1.25p net or 1.75p gross again and it is paid from earnings of 5.00p.

On an unchanged dividend the yield is still just over 8 per cent, but the shares have come up from 35p at one time last year.

## Further US link for 600 Group

The 600 Group has purchased or contracted to buy 21.4 per cent of the issued common stock of Clausen Corporation of Auburn, Michigan, a company listed on the American Stock Exchange. The price is £3.7m in cash.

Clausen Corporation and its subsidiaries are in plastics engineering, industrial distribution and process controls businesses.

The 600 Group and Clausen Corporation are already in partnership in the distribution and marketing of machine tools in America.

It is expected that through closer collaboration with Clausen Corporation, substantial benefits will accrue to both parties and that the 600 Group will gain from this additional foothold in the US market.

The book value of the assets at March 31 attributable to the common stock being acquired was approximately £2.6m and the profits before tax attributable for the nine months to March were about £501,000 (equivalent to £668,000 for 12 months).

## Midland finds not fully recovered

During the early part of the second half of this year, Midland Industries' order position had not been restored. But the company, which is modernising its plant, says it has substantially

increased capacity and efficient operation.

Activities of the company are constantly under review. The chairman, his wife and a director have waived £47,000 (£42,000) in the interim period.

Turnover for the half-year to June 30, £13.7m (£10.9m for half year to March 31, 1979). Pre-tax profit £751,000 (£1m). Interim dividend is 1.57p gross (£1.42p net).

## Difficult trading for Invergordon Distillers

Sales for six months to June 30 of Invergordon Distillers Holdings were £13m (£11.4m). Pretax profits were £2.1m (£1.8). Earnings per share were 9.6p (8.55p). The interim dividend is 2.14p gross (same).

Board states that the current difficult trading conditions will affect the remainder of the year and it is unlikely that the full year's results will maintain the level of increase achieved in the first six months.

## L &amp; E optimistic about Newman

Regarding London and European's 20.11 per cent holding in Newman Industries the chairman says that while Newman has its problems, L and E's board believes in the underlying strength of its assets and activities and has confidence

that it can become a profitable long-term investment.

The board is also examining a number of ways to maximize the benefits of the surplus in the property division and the potential increase in liquidity that this may create. Present indications are that results for 1980 will be broadly in line with those of 1979.

Turnover for the half year to June 6 was £3.8m (£6.3m). Pre-tax profit was £407,000 (£441,005).

Earnings per share were 1.9p (2p). Interim dividend is 0.99p gross (0.85p net).

## Howard Tenens position strengthened

The chairman of Howard Tenens Services Ltd, E. C. Morris, says in his annual statement that the directors are satisfied that the financial position of the company has been very significantly strengthened and it continues to trade profitably.

However, he said, it would be optimistic to suggest that the profit for the year will exceed that of last year, but the board is confident that as indicated in the rights issue documents, the dividend on the increased capital will be maintained. It is proposed

## Interim profits dip at Morgan Crucible

By Peter Wilson-Smith

Morgan Crucible's pretax profits fell by 6 per cent to £6.5m in the first half of 1980.

In the first quarter, when profits increased by a tenth, Morgan offset higher financial costs with increased trading profits. But in the second quarter trading profits fell and interest charges continued to rise. For the half year net financial charges were three-fifths higher at £1.62m.

Group sales rose from £54.9m to £64.7m, but excluding results from two recent acquisitions, Franklin Oil Corporation and DIA, turnover would have been £61.3m and pretax profit £6.73m.

Mr Ian Weston-Smith, the chairman, says that most of the group's United Kingdom customers, particularly steel and consumer durable producers, are having a very difficult time.

However, direct export sales were generally good and, in some markets, excellent. Overseas subsidiaries performed strongly. Together with United Kingdom exports these account for nearly three-fifths of group sales.

The interim dividend has been maintained at 5.43p gross. The chairman says that the second half of the year will bear non-recurring factory relocation costs and closure costs at Lidge. The new United States subsidiary in market special carbon grades will also incur modest start-up costs.

Trading in Royal Trustco common on the Toronto and Montreal stock exchanges Wednesday: totalled nearly 2.1m shares, including a 1.27m share block at C\$21 traded on the Montreal exchange. On Tuesday, 1.7m shares changed hands on the two exchanges, including several blocks that traced above Campeau's C\$21 offer price.

Total volume over the ten days represented about 34 per cent of Royal Trustco's 16m common shares outstanding.

Royal Trustco declined comment on the trading activity, and Campeau sources could not be reached for comment.

## Carlton and United cash call

Carlton and United Breweries of Melbourne said it plans to make a one-for-five share issue priced at par.

The issue will raise the issued capital to 123.55m AS1 ordinary shares from the present 102.65m.

Carlton and United said the AS20.39m raised by the issue will be used to improve liquidity.

Carlton and United Breweries of Melbourne said it plans to make a one-for-five share issue priced at par.

## Nationale-Nederlanden up 22 pc

International

Nationale-Nederlanden, the Dutch insurance group, said its first half net profits rose by 22 per cent to F151.7m (£32.8m) from F124.3m a year earlier. The group has declared an interim dividend of F12.90, against F12.80 a year ago.

Group revenues rose by 12.5 per cent to F14,000m.

Premium income grew by 12 per cent to F12,990m, while income from investments and other activities advanced by 15 per cent to F1,917m.

## Royal Trustco fighting bid

Continued heavy trading of Royal Trustco stock suggests that Canada's largest trust concern may have found a well-heeled ally in its bid to escape a C\$412m (£154m) takeover by Campeau Corporation.

Royal Trustco directors earlier this week voted unanimously to oppose an offer of C\$21 a share for its common and C\$29.93 for its preferred stock from Campeau, an Ottawa-based real estate development concern.

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## Alexander's talks

Alexander's said yesterday in New York that it had held preliminary and tentative discussions with representatives of the Anglo-Wallor group about the possible penetration of certain corporate stocks.

An Alexander's spokesman said the discussions were only of the most preliminary nature.

In 1979 the group reported net profits of F1301.8m.

Beljinvest downturn

Beljinvest, the Swedish investment group whose shares were introduced to the London Stock Exchange in June, showed a 30 per cent return on equity in the half year to June 30 against 29 per cent in 1979.

Group income fell from 178m kronor to 154m kronor (£18m). The forecast for the full year is 250m kronor against 416m kronor last year. This lower figure represented sluggish profits compared with 1979.

Straits Trading

Straits Trading Co of Singapore, yesterday reported group net profits of S\$55m (£16.6m) for the six months to June 30, against S\$45m for the year before.

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Clogs  
Can you get  
too big for them?

... and in the rest of the Far East. In fact, in 37 countries in all.

They all agreed. It's our style of doing business that gets them. You know, the sort of thing you get from the local corner shop. A bit of chat about world affairs. Decent prices that they know they can afford... and then still come back for more.

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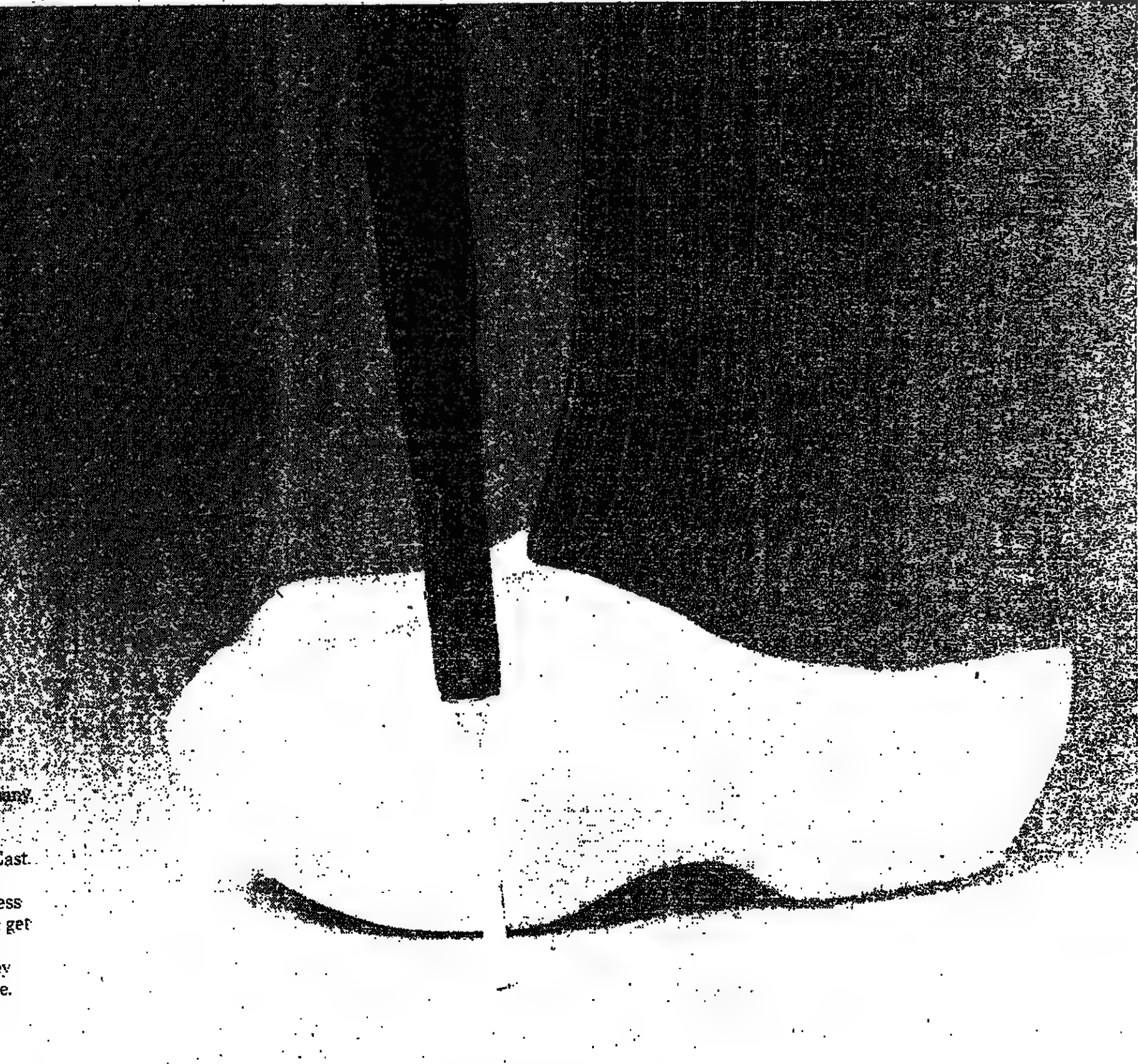
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DSM chemicals and plastics

To find out how much more we do, write to the Information Department, DSM PO Box 65, Haarlem, The Netherlands.







## Small selling

ACCOUNT DAYS: Dealings Began, Sept 1 Dealings End, Sept 12 § Contango Day, Sept 13. Settlement Day, Sept 22  
§ Forward bargains are permitted on two previous days

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מבדא מן צלמין







